

**Recreation and Conservation Office
Manual 3 Comparison Chart
March 2007 and December 2010**

This table is offered as a reference document comparing RCO's adopted acquisition projects procedures and policies from March 2007 and December 2010. The text is the complete copied text for both manuals, excluding the appendices. It is organized by page reference number in the order of the March 2007 version. See RCO's website for the both Manual 3 documents. http://www.rco.wa.gov/doc_pages/manuals_by_number.shtml

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<p>Eligibility Policies, page 3</p> <p>An acquisition grant from IAC-SRFB may be used to purchase real property for a variety of habitat conservation, outdoor recreation and salmon recovery purposes. Not all programs, however, provide funding for acquisition. Refer to page 1 for a list of programs that allow acquisition proposals.</p> <p>In general, IAC grants may be used to purchase both fee and less than fee interest in real property. Fee acquisition includes the purchase of the land and improvements by either a warranty deed or a quit claim deed.</p>	<p>Eligible Projects, page 4</p> <p>An acquisition grant from RCO may be used to buy real property for a variety of outdoor recreation, habitat conservation, and salmon recovery purposes. Real property is defined as land, crops, timber, mineral and water rights, land improvements, and structures and appurtenances to them, excluding movable machinery and equipment.</p> <p>In general, RCO grants may be used to buy real property in several ways. Grants can be used to buy the land itself, called fee title acquisitions, or to buy an interest in the land, such as an easement, called less than fee title acquisitions.</p> <p>The organization that will hold title to the real property interest must be a party in the RCO project agreement, which is the contract between RCO and the grant recipient, as either a project sponsor or secondary sponsor. All project sponsors and secondary sponsors must be eligible to receive grants in the specific RCO grant program assisting with the project.</p> <p>Fee Title Acquisitions</p> <p>Fee title acquisition includes the purchase of land and improvements. Fee acquisitions also may include purchase of existing encumbrances or other rights on the property held by third parties such as mineral rights or water rights that will support the protection of the property for public purposes.</p> <p>Deeds</p> <p>A deed is the legal document that transfers or conveys title to a property and is</p>

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	<p>recorded with the county auditor’s office. Eligible types of deeds are statutory warranty, special warranty, quit claim, or bargain and sale deed. Other types of deeds may be eligible on a case-by-case basis. Consult RCO if the type of deed proposed for acquisition differs from the types listed here.</p> <p>A statutory warranty deed (or “general warranty deed”) is the most protective type of deed and RCO’s preferred type of conveyance for property. The statutory warranty deed binds the seller to the chain of title back to the origin of the property including all covenants and encumbrances on the title.</p> <p>A special warranty deed is a less protective form of property conveyance for the project sponsor and RCO. The seller conveys the property with only the warranty that he/she owns the property and warrants the encumbrances placed on the property during his/her period of ownership. It does not warrant the chain of title before the seller’s ownership period. Special warranty deeds are frequently used by executors and trustees.</p> <p>A bargain and sale deed warrants only that the seller holds title to the property, but not the condition of the title and any covenants or encumbrances on the property. This type of deed is used frequently for land donations and foreclosures.</p> <p>A quit claim deed is the least protective type of deed. It conveys the property without any warranty as to the seller’s interest in the property or any of the covenants or encumbrances. Quit claim deeds may be used to transfer property between family members or cure defects in the title or for other transactions.</p> <p>Quit claims deeds also often are used for rail banking projects. Certain rail corridors</p>

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	acquired with reversionary clauses are eligible with the understanding that should the property be rescinded, it would not be considered a conversion of use (see “Manual 7: Funded Projects”).						
<p>Less Than Fee Title, page 3</p> <p>Less than fee acquisition includes the purchase of a lease, easement (road, right-of-way, trail, conservation right, etc.), property right (agricultural, development, mineral, timber, water, etc.), and reserve interests deeds.</p> <p>Less than fee acquisition is subject to the following conditions:</p> <p>Unless precluded by state law, the interest length must be at least:</p> <ul style="list-style-type: none">• 50 years for WWRP, ALEA, and BFP projects• 25 years for NOVA projects• 20 years for YAF projects• 10 years for FARR projects. <p>The interest cannot be revocable at will by the signatories.</p> <p>The value must be supported by an appraisal and appraisal review that meets IAC guidelines (pages 15 through 18).</p> <p>The cost must be a lump sum payment at initiation.</p> <p>The Salmon Habitat Recovery program only allows the purchase of less than fee property rights that safeguard the perpetual use requirements. The purchase of a</p>	<p>Less than Fee Title Acquisitions, page 6</p> <p>Less than fee title acquisition includes the purchase of a lease, easement (road, right-of-way, trail, conservation, agricultural, etc.), other property rights (development, mineral, timber, water, etc.), or a reserve interest deed. A reserve interest deed conveys all rights to a property except those rights specifically reserved by the seller.</p> <p>The holder of the easement or lease has control of specific property rights, but does not own the land. Acquiring less than fee title property rights can be an appropriate strategy for some acquisition projects.</p> <p>Draft legal documents (e.g., leases, easements, and assignment of rights) must be pre-approved by RCO. Provide adequate time for RCO to review, which may include consultation with the Attorney General’s Office, your draft documents. Consult your grant manager to ensure adequate time for review.</p> <p>The minimum interest length for a project acquiring a less than fee title acquisition differs depending upon the grant program as follows:</p> <table><tr><th colspan="2">Minimum Interest Length for Less Than Fee Acquisitions</th></tr><tr><th>Grant Program</th><th>Interest Length</th></tr><tr><td>Land and Water Conservation Fund</td><td>Perpetuity</td></tr></table>	Minimum Interest Length for Less Than Fee Acquisitions		Grant Program	Interest Length	Land and Water Conservation Fund	Perpetuity
Minimum Interest Length for Less Than Fee Acquisitions							
Grant Program	Interest Length						
Land and Water Conservation Fund	Perpetuity						

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lease is not eligible.	(Easements only, leases are not eligible in this program)
	Salmon Recovery Grants Perpetuity (Easements only, leases are not eligible in this program)
	Aquatic Lands Enhancement Account At least 50 years
	Boating Facilities Program At least 50 years
	Washington Wildlife and Recreation Program (except Farmland Preservation Program easements and Conservation Reserve and Enhancement Program leases) At least 50 years
	Nonhighway and Off-Road Vehicle Activities At least 25 years
	Washington Wildlife and Recreation Program’s Farmland Preservation Program At least 25 years
	Washington Wildlife and Recreation Program’s Riparian Protection Account Conservation Reserve and Enhancement Program lease extensions At least 25 years
	Youth Athletic Facilities At least 20 years
	Firearms and Archery Range Recreation At least 10 years
	All policies included in this manual apply to the acquisition of less than fee rights including appraisal and appraisal review requirements, hazardous substances certifications, filing an Assignment of Rights, and title insurance. The project sponsor is responsible to ensure that the appraisal accurately reflects the subject property and rights to be acquired. The hazardous substances certification requirement does not apply to agricultural conservation easements acquired in the Washington Wildlife and

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	<p>Recreation Program’s Farmland Preservation Program.</p> <p>Lease Requirements, page 9</p> <p>The following terms are required for any lease acquisition:</p> <ul style="list-style-type: none">• The lease may not be revoked by either party signatory to the agreement (or “revocable at will” by the signatories). If the lease is revoked, the project sponsor will need to mitigate for the lost lease per RCO’s conversion policy in “Manual 7: Funded Projects.”• The lease value must be determined by an appraisal and appraisal review that meets RCO guidelines as described in this manual.• Payment of the lease must be in a lump sum at the start of the lease, not over a period of years, and paid within the active period of the RCO project agreement unless payments have been made under an approved waiver of retroactivity.• The purchase of a lease is not eligible in the Salmon Recovery Grants or Land and Water Conservation Fund programs.
<p>Deed of Right, page 3</p> <p>Lands acquired in-fee with IAC-SRFB assistance must be dedicated to habitat conservation, outdoor recreation or salmon habitat recovery uses in perpetuity (FARR exception listed below). This is done through a recorded Deed of Right to Use Land for Habitat Conservation, Salmon Habitat Recovery, or Outdoor Recreation Purposes (pages 28, 31, 34). This Deed conveys property interests to the public forever. It must be executed and recorded by the project sponsor after taking title to the property but</p>	<p>Deed of Right, page 5</p> <p>To protect the State of Washington’s investment in the land acquired, RCO requires the project sponsor to record a Deed of Right on the title of the property. The Deed of Right Deed of Right conveys to the people of the State of Washington the rights to preserve, protect, and/or use the property for public purposes consistent with the grant program and the project agreement in perpetuity, except in the Firearms and</p>

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<p>before applying for payment. Ideally, it is recorded at closing so that the Deed of Right will appear on the title insurance policy.</p> <p>FARR Exception. RCW 79A.25.210 exempts Firearms and Archery Range Recreation (FARR) Program projects from this rule. Sponsors of such projects must repay grants accepted for facilities that become closed to the public less than 10 years after final reimbursement. This includes land acquisitions assisted with IAC grants. See FARR Program Manual 11 for more information.</p>	<p>Archery Range Recreation program¹.</p> <p>Templates for the Deed of Right are in Appendices A-C and vary by the type of project. RCO will draft the Deed of Right based upon the information provided by the project sponsor. RCO will then provide a signed Deed of Right to the project sponsor for its signature. The project sponsor records the Deed of Right with the county auditor. The county auditor sends the original recorded document to RCO. RCO will provide a copy of the recorded Deed of Right to the project sponsor once it is received back from the county auditor. RCO will not reimburse a sponsor for acquisition costs until the Deed of Right is recorded.</p> <p>A map is a required exhibit in each Deed of Right. The map must identify the property as described in the legal description and clearly outline the property boundary. The map also must identify the RCO project number, sponsor name, date the map was prepared, adjoining streets and roads, north arrow, and scale. The map background may be shaded or aerial photography but must be clear enough to be copied in black and white. See Section 6 and information on <i>Property Boundary Map Requirements</i> for more information about project mapping requirements.</p> <p>The Deed of Right must be recorded before requesting reimbursement for the land costs, unless RCO will be depositing funds directly into the escrow account. If the Deed of Right is recorded after closing, RCO may request an updated final title report or endorsement to the title insurance policy to ensure no new encumbrances have been placed on the property before the filing of the Deed of Right.</p>

¹ See Manual 11 for details on long-term obligations in Firearms and Archery Range Recreation grant program

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<p>Assignment of Rights, page 3</p> <p>An Assignment of Rights is a recorded legal agreement used to convey or assign to IAC-SRFB rights that protect the public interest in conservation easements acquired with IAC-SRFB funds. IAC-SRFB requires a perpetual conveyance.</p> <p>The Assignment of Rights is intended to secure the public’s interest in the conservation easement by ensuring the longevity of habitat, restoration and enhancement projects. To accomplish this the Assignment of Rights does four things.</p> <ol style="list-style-type: none">1. It commits the sponsor holding the easement to monitor and enforce the terms of the easement.2. It gives the IAC-SRFB certain rights for access to the property covered by the conservation easement, which rights are co-held with the sponsor.3. It indemnifies the state with respect to the acts or omissions of the landowner and sponsor on the salmon recovery or habitat property.4. It requires the sponsor to consult with IAC-SRFB with respect to any amendment of the conservation easement or conversion of the salmon recovery or habitat land to another use. <p>Collectively, these provisions of the Assignment of Rights ensure that the IAC-SRFB has the legal ability to step in and act if the sponsor fails to manage or defend the conservation easement as required under IAC-SRFB policies. The Assignment of Rights is to be executed and recorded by the sponsor after taking title to the conservation easement. The approved format of the Assignment of Rights is provided in Appendix G (page 41 [IAC], 48 [SRFB]).</p>	<p>Assignment of Rights, page 10</p> <p>Project sponsors file an Assignment of Rights for all easements or leases being acquired unless otherwise noted in this manual. An Assignment of Rights ensures RCO has certain rights for access and stewardship of the property. Easements acquired in the Washington Wildlife and Recreation Program’s Farmland Preservation Program do not require an Assignment of Right as the farmland easement template incorporates the necessary provisions.</p> <p>The Assignment of Rights is intended to secure the public’s interest in the easement or lease. To accomplish this, the Assignment of Rights does four things.</p> <ol style="list-style-type: none">1. It commits the sponsor holding the easement or lease to monitor and enforce the terms of the easement or lease.2. It gives RCO certain rights, which are co-held with the sponsor, for access to the property covered by the easement or lease.3. It indemnifies the state with respect to the acts or omissions of the landowner and sponsor on the property.4. It requires the sponsor to consult with RCO for any amendment of the easement or lease, or conversion of the land to another use. <p>Collectively, the Assignment of Rights ensures that RCO has the legal ability to act if the sponsor fails to manage or defend the easement or lease.</p>

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	<p>The template for the Assignment of Rights is in Appendix G.RCO will draft the Assignment of Rights based upon the information provided by the project sponsor. RCO will then provide a signed Assignment of Rights to the project sponsor for its signature. The project sponsor records the Assignment of Rights with the county auditor. The county auditor sends the original recorded document to RCO. RCO will provide a copy of the recorded Assignment of Rights to the project sponsor once it is received back from the county auditor. RCO will not reimburse a sponsor for acquisition costs until the Assignment of Rights is recorded.</p> <p>An alternative to recording an Assignment of Rights is to incorporate the required language from the Assignment of Rights directly into the easement or lease document, thereby eliminating the need to record a separate document with the county auditor’s office. When the Assignment of Rights is incorporated directly into the easement or lease, RCO becomes a third party beneficiary to the easement and must sign the easement or lease document. The easement or lease language will depend upon the situation. Project sponsors must submit the draft language to RCO for approval before executing the easement or lease.</p>
<p>Ineligible Land Acquisition Projects, page 4</p> <p>IAC-SRFB program manuals contain specific information regarding ineligible land acquisition elements. The following is meant to provide broad guidance in this area. IAC-SRFB grants may not be used to acquire:</p> <p>1. Land owned by the applicant/sponsor, except when specifically required by</p>	<p>Ineligible Projects, page 20</p> <p>The funding boards’ program manuals contain specific information about ineligible land acquisition elements. Ineligible land acquisitions are not eligible for grant funding and as such cannot be used to fulfill a sponsor’s match to a funded project. The following is meant to provide broad guidance in this area. Grants may not be used to</p>

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<p>state law (page 10).</p> <p>2. Land to be used in support of indoor recreation. This applies equally to existing buildings and undeveloped land where major indoor facilities will be constructed. Excepted are:</p> <p>(a) Firearms and Archery Range Recreation Program indoor shooting ranges.</p> <p>(b) Enclosed swimming pools or ice-skating rinks that meet Land & Water Conservation Fund guidelines.</p> <p>(c) Existing or future indoor facilities that are compatible with the outdoor uses for which the land was acquired, such as restrooms, storage facilities, site maintenance structure, caretaker’s residence, and overnight rustic cabins.</p> <p>3. Land with museums, or sites to be used for museums.</p> <p>4. Land to be used primarily for semi-professional and professional activities, such as arts and athletics.</p> <p>5. Land with sufficient revenue producing potential to finance the project’s cost.</p> <p>6. Land where exclusive use privileges will be leased, such as boat moorage/storage or a membership golf course.</p> <p>7. Land to be used solely for hatchery style fish production.</p> <p>8. Established outdoor recreation areas developed under ownership or management of a public agency.</p> <p>9. Land to mitigate the impact of a non-IAC-SRFB assisted project, project element, or action of the project sponsor.</p> <p>Land and Water Conservation Fund grants may not be used to acquire a leasehold interest unless the land is leased from one public agency to another and includes</p>	<p>acquire:</p> <ul style="list-style-type: none">• Land already owned by the sponsor, unless the property meets the eligibility requirements described in the "Acquisition of Existing Public Land" section or the “Buying Land before an RCO Project Agreement is Signed” section in this manual.• Land to be used in support of indoor activities. This applies equally to existing buildings and undeveloped land where major indoor facilities will be constructed. Exceptions vary by grant program. See program related manuals for a list of indoor facilities that may be allowed in the program. Some examples of eligible indoor facilities include:<ul style="list-style-type: none">○ Indoor shooting ranges in the Firearms and Archery Range Recreation program.○ Indoor swimming pools or ice skating rinks in the Land and Water Conservation Fund program.○ Indoor facilities that support the outdoor uses of the land such as restrooms, storage facilities, and maintenances sheds.• Land with museums, or sites to be used for museums.• Land to be used primarily for semi-professional and professional activities, such as arts and athletics.• Land with sufficient revenue producing potential to finance the project’s cost.• Land where exclusive use privileges will be leased, such as boat moorage or

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<p>provisions that safeguard the perpetual use requirement.</p> <p>Salmon Habitat Recovery funds may not be used to acquire leasehold interests.</p>	<p>storage or a membership golf course.</p> <ul style="list-style-type: none">• Land to be used solely for hatchery style fish production.• Established outdoor recreation areas developed under ownership or management of a public agency.• Land to mitigate the impact of a non-RCO assisted project, project element, or action of the project sponsor.• Purchase of development rights for transfer to a receiving property.²• Land that is contaminated per Model Toxics Control Act unless it meets one of the exceptions in the Hazardous Substances section in this manual.³• Land donated by a third party in lieu of mitigation fees, permit fees, and impact fees required for a development.⁴ See the Land Donations section in this manual for more details.• Acquisition of property through condemnation per Chapter 8.26 Revised Code of Washington or the threat of condemnation is prohibited in the salmon recovery grant program⁵ and the Washington Wildlife and Recreation Program⁶.

² Recreation and Conservation Funding Board Resolution 2010-34

³ Washington Administrative Code 420-12-090

⁴ Washington Administrative Code 420-12-090

⁵ Washington Administrative Code 420-12-090

⁶ Revised Code of Washington 79A.15.090

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<p>Federal Agencies, page 5</p> <p>Federal agencies are not eligible for land acquisition grants from the IAC-SRFB. RCW 77.85.130(9) allows federal agencies under the Salmon Recovery program to receive title to lands acquired with SRFB grants only if:</p> <ul style="list-style-type: none">• Title is transferred to the federal agency after purchase by an eligible sponsor, and• The federal agency agrees to comply with all the terms of the SRFB Project Agreement, including filing the appropriate Deed of Right to Use Land for Salmon Recovery Purposes and/or Assignment of Right for Conservation Easements.	<p>Ineligible Project Sponsors, page 23</p> <p>Eligible project sponsors vary by grant program except federal agencies are not eligible for land acquisition grants. Federal agencies may receive title to lands acquired with Salmon Recovery Funding Board grants funds in certain circumstances.⁷ (Consult “Manual 18: Salmon Recovery Grants” on specific criteria related to transferring land to a federal entity in that program.</p>
<p>Pre-Agreement Costs, page 5</p> <p>Typically, acquisition costs incurred by an applicant before signing the Project Agreement (the formal contract between IAC-SRFB and successful project applicants) are ineligible for reimbursement. However, there are some administrative and incidental costs which applicants may incur before signing the Project Agreement. These include:</p> <ul style="list-style-type: none">• Administration• Cultural resources review• Appraisal• Hazardous substance assessment	<p>Pre-Agreement Costs, page 17</p> <p>Pre-agreement costs are project costs incurred before fully executing a project agreement. Some administrative and incidental costs are eligible pre-agreement costs if incurred up to three years before the start date of the project agreement.</p> <p>Pre-agreement costs are limited to:</p> <ul style="list-style-type: none">• Administration costs• Incidental costs limited to:<ul style="list-style-type: none">○ Appraisal and appraisal review

⁷ Revised Code of Washington 77.85.130(7)

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<ul style="list-style-type: none">• Appraisal review• Preliminary title report• Boundary survey• Wetland delineation <p>All eligible acquisition costs can be reimbursed or used as a match if the applicant has requested and received a Waiver of Retroactivity from the Director. For more information, see page 7.</p>	<ul style="list-style-type: none">○ Baseline documentation – conservation easements only○ Boundary line adjustments, lot line adjustments, and subdivision exemptions○ Cultural resources⁸ (survey, excavation, on-site monitoring, data recovery, and other costs)○ Environmental audits as described in this manual○ Land survey (i.e., property boundaries). New legal surveys must be recorded with the county auditor’s office on the property title if the property is successfully acquired with RCO grant funds.○ Preliminary title reports○ Relocation administration○ Stewardship Plans – salmon recovery grants, Washington Wildlife and Recreation Program’s riparian and farmland projects only○ Wetland delineations <p>All pre-agreement costs incurred must adhere to the requirements in this manual for the costs to be eligible for RCO funding or used as sponsor match. For example, project sponsors must ensure that incidental items such as appraisals, cultural resources</p>

⁸ Archeological and historical sites and artifacts, and traditional areas or items of religious, ceremonial, and social uses to tribes.

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	review, and relocation costs meet the policies in this manual.
<p>Administrative Costs, page 5</p> <p>Eligible project administrative costs include actual direct costs and similarly related charges associated with purchasing land, property rights, leases, or easements.</p> <p>Examples include:</p> <ul style="list-style-type: none">• Advertising• Public hearings• Billing preparation• Progress report preparation• Communication• Project administration• Consultation• Room rental• Contract award• Salaries and benefits• Correspondence• Site visits• Meetings• Taxes (administrative goods/services)• Negotiations• Travel costs to site/meeting <p>Administrative costs are limited to no more than 5 percent of the total acquisition. The</p>	<p>Administrative Costs, page 12</p> <p>Eligible project administrative costs include direct costs related to acquiring the property. Administrative costs are not eligible in the Land and Water Conservation Fund program. Eligible administrative costs in all other RCO grant programs include:</p> <ul style="list-style-type: none">• Advertising• Attorney fees – document review and drafting, clearing title, and other project related work.• Billing preparation• Communication• Consultation• Contract award• Correspondence• GIS mapping• Meetings• Negotiations

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Director may approve individual project requests for increases up to 10 percent. Increases above 10 percent require IAC-SRFB approval. To request an increase above 5 percent, the sponsor must provide, in writing, justification for the increase. For example, include information on the project’s complexity and any efficiency measures taken.	<ul style="list-style-type: none">• Progress report preparation• Project administration• Public hearings• Room rental• Salaries and benefits• Site visits• Taxes (administrative goods and services)• Travel costs to site and meetings <p>Administrative costs are limited to no more than 5 percent of the total costs of the property and incidental costs combined. RCO may approve a request to pay up to 10 percent administrative costs on a case-by-case basis. Increases above 10 percent require Recreation and Conservation Funding Board-Salmon Recovery Funding Board approval. To request an increase above 5 percent, the sponsor must provide a letter to RCO addressing the following:</p> <ul style="list-style-type: none">• What amount of administrative cost is requested?• Why is the additional administration costs needed?• What has been accomplished to date? Provide specific information about the

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	<p>status of property negotiations.</p> <ul style="list-style-type: none">• How will the additional administrative expenses impact the project scope? Will the original scope of work still be completed?• What is the updated project completion timeline?
<p>Property Costs, page 6</p> <p>Direct costs for the purchase of property or property rights are eligible. These include fee ownership and less than fee ownership costs.</p> <ul style="list-style-type: none">• Fee ownership costs include:• Land• Improvements and structures <p>Less than fee ownership costs include:</p> <ul style="list-style-type: none">• Easements, access• Easements, conservation• Easements, trails• Lease• Reserve interest deed• Rights, agriculture• Rights, development• Rights, mineral• Rights, timber• Rights, water	<p>Property Costs, page 14</p> <p>Direct costs for the purchase of real property or property rights are eligible. These include fee ownership and less than fee ownership costs.</p> <p>Fee ownership costs include land, shore land, tideland, improvements, and structures. Fee acquisitions also may include purchase of existing encumbrances or other rights on the property held by third parties such as mineral rights or water rights that will further support the protection of the property for public purposes.</p> <p>Less than fee ownership costs may include easements, leases, and separate property rights such as development, minerals, timber, or water rights, depending upon the specific program.</p> <p>Property costs are established by conducting an appraisal to determine just compensation (i.e., market value) to the landowner. The appraised value must be confirmed by an independent appraisal review. See the section on “Appraisal and Appraisal Review” for more details on appraisal requirements.</p> <p>Incidental Costs, page 15</p>

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<p>Incidental Costs, page 6</p> <p>These land acquisition support costs do not include actual land purchase.</p> <ul style="list-style-type: none">• Appraisal & review• Baseline documentation for conservation easements (page 40)• Closing• Cultural resources^{1F9} (survey, excavation, on-site monitoring, and data recovery).• Demolition• Fencing (if needed for public safety or resource protection)• Hazardous substance environmental assessment (page 20)• Noxious weed control (initial control, up to \$75 per acre.)• Recording fees• Relocation (includes administration)• Signing• Special reports• Survey (if needed to settle a known boundary dispute[s] or to protect public funds)• Taxes (compensating, excise, and pro rata taxes)• Title reports/insurance (includes insurance and clearing of non-contested quiet title actions [quelling outstanding interests])• Wetland delineations. <p>LWCF. Costs eligible in the federal LWCF Program are:</p>	<p>Incidental costs are those costs that are incurred when purchasing land or property rights such as conducting due diligence investigations and closing on the transaction. Once an incidental item has been completed, the final document (e.g., appraisal, environmental assessment, relocation plan, etc.) must be submitted along with the invoice requesting reimbursement of the incidental cost item. Electronic documents are preferable.</p> <p>Eligible incidental costs in every RCO acquisition project are:</p> <ul style="list-style-type: none">• Appraisal and appraisal review – one per property• Baseline documentation – conservation easements only• Closing fees• Fencing• Environmental audits, chain of title reports, and site investigation such as test pits, test wells, and sample analysis (limited to 10 percent of the appraised market value of the property)• Recording fees• Taxes due at closing (compensating, excise, and pro rata taxes). Delinquent taxes owed on a property before the date acquired are eligible costs on a case-by-case basis with pre-approval from RCO.

⁹ Archeological and historical sites and artifacts, and traditional areas or items of religious, ceremonial, and social uses to affected tribes

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<ul style="list-style-type: none">• Closing Fees• Land and Existing Improvements• Pro rata Real Estate Taxes• Recording Fees• Relocation of Eligible Occupants, including Administration.	<ul style="list-style-type: none">• Title reports and insurance – extended title insurance may be approved on a case-by-case basis• Wetland delineations <p>Other incidental costs that are eligible in an acquisition project are:</p> <ul style="list-style-type: none">• Boundary line adjustments, lot line adjustments, and subdivision exemptions• Cultural resources¹⁰ (survey, excavation, on-site monitoring, data recovery, and other costs)• Demolition of ineligible structures• Environmental audit recommendations that do not trigger formal cleanup action but will improve the condition and safety of the property such as debris removal, well decommissioning, non-hazardous (below Model Toxics Control Act cleanup levels) contaminated soil removal, and other recommended action items• Land survey (i.e., property boundaries). New legal surveys must be recorded with the county auditor’s office on the property title if the property is successfully acquired with RCO grant funds.• Noxious weed control (initial control, up to \$125 per acre or \$2,500 per property for properties less than 20 acres.)

¹⁰ Archeological and historical sites and artifacts, and traditional areas or items of religious, ceremonial, and social uses to tribes.

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	<ul style="list-style-type: none">• Relocation for eligible displaced tenants only when the property is acquired from a willing seller (including administration). See the Section 4 Acquisition Procedures and information on relocation for specific requirements and eligible costs.• Relocation for eligible displaced residents and tenants when the property is acquired through condemnation (including administration). See the section below on “Relocation” for specific requirements and eligible costs.• Signs – boundary, entrance, notices, rules, etc.• Stewardship Plans – salmon recovery grants, Washington Wildlife and Recreation Program’s riparian and farmland projects only• Incidental costs are limited in the Land and Water Conservation Fund program and only include:• Relocation and relocation administration allowable under the Uniform Relocation Assistance and Real Property Acquisition Policies, P.L. 94-646.• Cultural resources (survey, excavation, on-site monitoring, data recovery, and other costs)• National Environmental Policy Act compliance (e.g., hazardous substances review, wetland delineations, biological surveys, etc)
Ineligible Costs, page 7	Ineligible Costs, page 23

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IAC-SRFB funds and sponsor matching monies may not be used for costs peripheral to buying land. Thus, ineligible costs include indirect costs, fees for feasibility studies, court costs, and in most cases, attorney fees. Attorney fees, however, are eligible when associated with the drafting and legal review of easement language. The Salmon Habitat Recovery program may provide funding for assessments and feasibility studies as part of a combination project.	RCO funds and sponsor matching money may not be used for costs peripheral to buying land or property rights. Thus, ineligible costs include, but are not limited to, applying for any grant funding, option payments, earnest money, landowner liens and lien fees, annual property taxes beyond the pro rata taxes due at closing, indirect costs, fees for feasibility studies, and court costs.
<p>Waiver of Retroactivity, page 7</p> <p>In most cases, IAC-SRFB grant funds may be used only to reimburse expenses incurred during the period set out in the Project Agreement. This is known as the IAC-SRFB prohibition on retroactivity.</p> <p>However, based on written justification by an applicant regarding the critical need to purchase property before IAC-SRFB approves funding, the Director may issue a “Waiver of Retroactivity”. Such a Waiver allows the acquisition costs incurred by the applicant to remain eligible for reimbursement through the next two consecutive grant cycles in the program in which the applicant seeks funds. Applicants must submit the waiver application and all required attachments as soon as possible and before closing escrow and taking title to the property.</p> <p>A Waiver is normally sought when an applicant decides that an imminent condition exists that jeopardizes the acquisition and thus decides to pursue the acquisition before funding approval. All such expenditures are made at the applicant’s risk. That</p>	<p>Buying Land Without a Signed RCO Project Agreement (Waiver of Retroactivity), page 18</p> <p>In most situations, RCO will reimburse only for expenses incurred after the project agreement is executed fully (except for eligible pre-agreement costs). However, a project sponsor may get advance approval in writing from RCO to purchase a property and preserve eligibility of land acquisition and other incidental costs incurred before the project agreement is executed. The approval is called a “waiver of retroactivity,” which waives the prohibition to reimburse costs incurred before the project agreement.¹¹ All acquisition costs that would be eligible during the project agreement period become eligible for reimbursement when a waiver of retroactivity is issued (not just pre-agreement costs).</p> <p>A project sponsor must request a waiver of retroactivity before acquiring property that will be the subject of a new grant application, including property that will be used to satisfy the sponsor’s matching share. One waiver of retroactivity is issued per property and may be used by any eligible project sponsor in the grant program. The waiver may</p>

¹¹ Washington Administrative Code 286-13-085

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<p>is, if a grant is not awarded, OIAC will not reimburse expenses.</p> <p>The process to obtain a Waiver of Retroactivity differs somewhat between state funded and federally funded grant programs. There are even some differences among federal fund sources. To apply for a Waiver of Retroactivity, the applicant must forward to OIAC the information listed in Appendix I (page 66). This information is listed by fund source. Please note that waivers for the federal LWCF program require approval of IAC’s Director approval and the National Park Service.</p>	<p>be requested only when immediate action is necessary and the grant won’t be awarded in time. When a waiver is approved, it allows the project sponsor to acquire the property in advance of a signed project agreement without forfeiting eligibility to receive grant funding for the project. Approval of a waiver does not guarantee funding. When approved, a waiver is good for two consecutive grant cycles from the date of acquisition depending upon the grant program.</p> <p>To request a waiver of retroactivity, a project sponsor submits a written request with a justification regarding the critical need to purchase property; location map; parcel map; and preliminary title report. RCO may request additional documentation for review of the request. The project sponsor also may submit the appraisal, review appraisal, and other incidental documents for RCO review, if available. The request must be submitted before closing on the property, preferably 30 days in advance.</p> <p>In the Land and Water Conservation Fund program, RCO must obtain approval from the National Park Service before issuing a waiver of retroactivity so sufficient time is needed for federal and state approval. See more details in “Manual 15: Land and Water Conservation Fund.”</p> <p>Project sponsors compelled to acquire property before securing a project agreement, do so at their own risk. Be aware, if a grant is not awarded, RCO will not reimburse any expenses. Should a grant subsequently be awarded to acquire the property, all applicable policies in this manual must be met to receive reimbursement or to use the acquisition costs as match toward a grant award. For example, the title must be free of encumbrances that limit the value or uses on the property disproportionately to the public benefit, relocation and cultural resource review must be completed, if</p>

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	<p>appropriate, and the appraisal must be conducted to the appropriate standards.</p> <p>In addition, costs associated with less than fee title property rights must meet the terms as outlined in this manual. For example, a conservation easement or lease must be assignable to RCO. Project sponsors considering a less than fee title acquisition and planning to seek RCO grant funding should consult RCO about less than fee title requirements.</p>
<p>IAC-SRFB Decisions, page 7</p> <p>The following list summarizes many acquisition project decisions that may only be made by IAC in a public meeting. Each is in accord with statutes, rules, and IAC-SRFB policies.</p> <ol style="list-style-type: none">1. Initial grant approval.2. Any project cost increase that exceeds 10 percent of the total previously approved by IAC-SRFB. Cost increases are not allowed in some IAC programs.3. A "conversion" that changes the project site or how the site is used from that described in the Project Agreement.4. A significant change in the project's scope. Typically, such a modification includes any that the Director feels may have changed the project's evaluation score. Not included are changes that do not significantly modify the way the public uses a facility or the intended habitat conservation, salmon habitat recovery, or recreational opportunity funded by IAC-SRFB.5. Changes in policy; for example, establishing new grant limits or eligible expenditures.	<p>Who Makes Decisions, page 55</p> <p>Final decisions are made by the boards that govern RCO. Some decisions have been delegated to the agency director.</p> <p>Board Decisions</p> <p>The following list summarizes many acquisition project decisions that may be made only by the Recreation and Conservation Funding Board or Salmon Recovery Funding Board in a public meeting or by a subcommittee of the boards. Each is in accord with statutes, rules, and board policies.</p> <ul style="list-style-type: none">• Initial grant approval.• A project cost increase of more than 10 percent of the project total in the project agreement for Recreation and Conservation Funding Board projects. Cost increases are only allowed in certain grant programs. Consult “Manual 7: Funded Projects” for more criteria related to cost increases for board funded projects.

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	<ul style="list-style-type: none">• A project cost increase of more than 20 percent of the project total in the project agreement for Salmon Recovery Funding Board funded projects. Consult “Manual 18: Salmon Recovery Grants” for more criteria related to cost increases for board funded projects.• Approval to pay more than 10 percent in administrative costs of the total land and incidental costs combined.• A major scope change as defined in “Manual 7: Funded Projects” in the property to be acquired. See Manual 7 for more criteria and information about major scope changes.• A "conversion" that changes the project site or how the site is used from that described in the project agreement and Deed of Right or Assignment of Rights. See “Manual 7: Funded Projects” for more information about conversions.• Changes in policy; for example, establishing new grant limits or eligible expenditures.
<p>Director’s Decisions, page 8</p> <p>The Director or staff designee makes many acquisition project decisions. The following list summarizes some of these decisions, each in accord with statutes, rules, and IAC-SRFB policies:</p> <div><div>1. Appoint advisory committee and evaluation team members.</div><div>2. Establish and/or waive grant program deadlines. OIAC WAC 286-13-</div></div>	<p>Director Decisions, page 56</p> <p>The RCO director or staff designee makes many acquisition project decisions. The following list summarizes some of these decisions that relate to acquisition projects, each in accord with statutes, rules, and RCO policies:</p> <ul style="list-style-type: none">• Authorize project reimbursements.• Approve a project cost increase up to 10 percent of the project total in the

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may not extend application deadlines for Salmon Recovery projects.	040(3) WAC 420-12-030 (1)	<p>project agreement for Recreation and Conservation Funding Board projects. A cost increase is limited to a specific parcel’s fair market value¹². Cost increases are not allowed in all board grant programs. Consult “Manual 7: Funded Projects” for more criteria related to cost increases for board funded projects.</p> <ul style="list-style-type: none">• Approve a project cost increase up to 20 percent of the project total in the Project Agreement for Salmon Recovery Funding Board projects. Consult “Manual #18: Salmon Recovery Grants” for more criteria related to cost increases for board projects.• Approve paying up to 10 percent in administrative costs of the total land and incidental project costs.• Approve payment of delinquent taxes due at the time of closing.• Approve payment up to 10 percent above the review appraised value of a property.• Approve disregarding of new encumbrances on the property when determining appraised value.• Approve acquisition of property with informal or no legal access.• Approve more than one appraisal and appraisal review per property.• Waive appraisal requirements for property that does not exceed \$10,000.• Approve environmental assessment costs above 10 percent of the review
3. Authorize grant application forms.	WAC 286-04-010, 286-13-020	
4. Accept or deny plans submitted to comply with grant eligibility requirements.	WAC 286-35-030	
5. Make project funding recommendations to IAC-SRFB .	WAC 420-04-040	
6. Require that applicants submit additional project information after approval of funding and before executing a Project Agreement.		
7. Execute Agreements for projects approved by IAC-SRFB .	WAC 286-13-060(1) WAC 420-12-050 (1)	
8. Authorize cost increases of 10 percent or less of an IAC project’s approved initial cost.	WAC 286-04-070(3) WAC 420-12-060	
9. Authorize project reimbursements.	WAC 286-13-070	
10. Waive IAC sign recognition requirements.	WAC 286-13-120	
11. Terminate the Project Agreement.	Project Agreeeme	

¹² Washington Administrative Code 286-13-085

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12. Require that grant funds be repaid to IAC-SRFB if spent in a manner that conflicts with applicable statutes, rules, and/or policy manuals.	nt WAC 286-13-100 WAC 420-12-075	appraised value of a property. <ul style="list-style-type: none">• Approve the qualifications of a relocation agent.• Approve a minor scope change as defined in “Manual 7: Funded Projects” in the property to be acquired. See Manual 7 for more information about minor scope changes.• Approve all draft legal documents for less than fee acquisitions.• Issue a waiver of retroactivity to purchase property before execution of a RCO project agreement.• Waive sign recognition and public access requirements.• Approve time extensions.• Terminate the project agreement.• Approve interim and compatible uses of an RCO assisted site.• Approve delayed restoration or development for future uses.• Require that grant funds be repaid to RCO if spent in a manner that conflicts with the project agreement or applicable statutes, rules, or program policies.
13. Approve interim non-public use of an IAC assisted site.		
An applicant or sponsor may request that a decision made by the Director be reconsidered. This is done by writing to the Chair of the IAC-SRFB at least thirty days before a board meeting [WAC 286-04-060(3) and 240-04-30(3)]. Requests will be placed on the meeting agenda with an opportunity for the petitioner to address the board. Any subsequent IAC-SRFB decision is final.		A project sponsor may request that a decision made by the director be reconsidered. This is done by writing to the chair of the funding board at least 60 calendar days before the next board meeting. Requests will be placed on the meeting agenda with an opportunity for the petitioner to address the board. Any subsequent board decision is

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	final.
<p>Phased Projects, page 8</p> <p>Phased, or staged, projects are subject to the following:</p> <ul style="list-style-type: none">• Approval of any single phase is limited to that stage, no endorsement or approval is given or implied toward future stages.• Each phase must stand on its merits as a viable project.• Each phase must be submitted as a separate application.• Progress on earlier stages is considered by IAC-SRFB when making decisions on current projects.	<p>Phased Projects, page 11</p> <p>Large acquisition projects can be complex, multi-year, multi-partner, and require extensive analysis, coordination, and implementation. A project sponsor should consider the potential complexity that large-scale or multi-million dollar projects may create, and should discuss phasing with RCO staff. Approval of any single phase is limited to that phase. No endorsement or approval is given or implied toward future phases. Progress on earlier phases may be considered by the funding boards when making decisions on current proposals by the applicant.</p> <p>Phased acquisition projects are subject to the following criteria:</p> <ul style="list-style-type: none">• Each phase must stand on its own merits as a viable project.• Each phase must be submitted as a separate application.
<p>Combination Projects, page 9</p> <p>Combination projects involve land acquisition and either facility development, planning, restoration or assessments and feasibility studies. Eligible combination projects vary by program; see policy manuals for details. To help ensure timely completion of combination projects, at least one month before IAC considers approval of funding for such projects, applicants must secure the property by one of the following methods:</p>	<p>Combination Projects, page 11</p> <p>Combination projects involve real property acquisition in combination with other work such as a feasibility study, site planning, development, or restoration. Eligible combination projects vary by program. See applicable policy manuals for details.</p> <p>Recreation and Conservation Funding Board Projects</p> <p>To help ensure timely completion of combination projects, the Recreation and Conservation Funding Board has set progress policies related to combination projects.</p>

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<ol style="list-style-type: none">1. Acquisition under the Waiver of Retroactivity policies and procedures (page 7).2. Have property in escrow pending IAC-SRFB grant approval.3. Obtain an option on the property that extends past the IAC-SRFB funding meeting. Execution of the option must occur within 90 days after this meeting.4. Provide draft copies of all leases or easements to OIAC for review. Execution of the leases or easements must occur within 90 days after the funding meeting.	<p>At least one month before the board considers approving funding for a combination grant, the project sponsor must secure the property by one of the following methods:</p> <ul style="list-style-type: none">• Acquisition under the waiver of retroactivity policies and procedures in this manual.• Have property in escrow pending grant approval. Closing must occur within 90 days after the funding meeting.• Obtain an option or purchase and sale agreement on the property that extends past the board funding meeting. Execution of the option or agreement must occur within 90 days after this meeting. <p>If the acquisition is for a non-perpetual interest, applicants also must provide draft copies of all leases or easements to RCO for review. Execution of the leases or easements must occur within 90 days after the board funding meeting.</p> <p>Salmon Recovery Funding Board Projects</p> <p>To help ensure timely completion of combination projects, Salmon Recovery Funding Board projects must acquire properties within 18 months of the funding meeting.</p>
<p>Acquiring Easements, page 9</p> <p>Acquiring less than fee simple title may be a cost effective and appropriate strategy for some acquisition projects. Policies included in this manual such as appraisal requirements, hazardous substances certifications, Deeds of Right/Assignments of</p>	<p><i>Merged with the section below.</i></p>

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<p>Right, and title insurance all apply equally to acquisition of easements. Sponsors are responsible to ensure that the appraisal accurately reflects the subject property and rights to be acquired. Appraisals and appraisal reviews must meet the guidelines provided pages 15 and 18.</p> <p>Sponsors and OIAC must also review the preliminary title report and encumbrances for consistency with the purpose of acquiring the easement. Sponsors will need to secure title insurance on the rights purchased. The insurance policy must show that the property rights are free of unacceptable liens and encumbrances. This may involve releasing the subject portion of a larger parcel from liens at the time of closing.</p> <p>Draft easement documents should be pre-approved by OIAC to help ensure compliance with IAC-SRFB policies.</p>	
<p>Conservation Easements, page 9</p> <p>IAC-SRFB allows sponsors that wish to protect habitat resources to consider less than fee simple acquisition techniques, such as conservation easements. To assist in purchasing such easements, IAC-SRFB has established three required document templates:</p> <ul style="list-style-type: none">• Model Baseline Documentation & Narrative (Appendix F, page 40)• Assignment of Right (Appendix G, page 41 [IAC], 48 [SRFB]).• Model Conservation Easement (Appendix H, page 54) <p>These three reports, or similar documents, are required of all sponsors acquiring</p>	<p>Habitat and Salmon Recovery Conservation Easements, page 7</p> <p>For the purchase of habitat and salmon recovery conservation easements, RCO has developed a model conservation easement outline intended to provide an overview of the required and optional provisions to be included. (See section below for details on agricultural conservation easements.) If a project sponsor chooses not to use the model easement, or to use only portions thereof, the sponsor must demonstrate that the easement language used addresses each applicable provision of the model easement and is consistent with the intent of each provision, with the appropriate grant program manual, and with the laws of the State of Washington. The complete model habitat and salmon recovery conservation easement template is located in</p>

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conservation easements.	<p>Appendix D.</p> <p>Agricultural Conservation Easements</p> <p>For the purchase of agricultural conservation easements in the Washington Wildlife and Recreation Program’s Farmland Preservation Program, the RCO has developed a model agricultural conservation easement with specific provisions required. If a sponsor chooses not to use the model easement, or to use only portions thereof, the sponsor must demonstrate that the easement language used addresses each applicable provision of the model easement and is consistent with the intent of each provision, with the Farmland Preservation Program manual, and with the laws of the State of Washington. The complete model agricultural conservation easement templates are in Appendix E. See “Manual 10f: Washington Wildlife and Recreation Program, Farmland Preservation Program” for details on the model agricultural conservation easement.</p> <p>Easement Requirements</p> <p><i>Baseline Inventory</i></p> <p>A baseline inventory is required for all habitat, salmon recovery, and agricultural conservation easements acquired with RCO funds. A baseline inventory records and characterizes the environmental aspects of the property at the time of the easement acquisition. The inventory provides the basis for future easement monitoring and, if necessary, enforcement. See Appendix F for baseline inventory requirements.</p> <p>The baseline inventory must be prepared before closing and signed by the landowner and easement holder at closing. In the event of poor seasonal conditions for</p>

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	<p>documenting all conservation values, an interim baseline with a completion schedule must be signed at closing. If the baseline has been completed and a significant amount of time has elapsed before the easement is transferred, it should be reviewed and possibly updated before closing. (Sponsors should consult Internal Revenue Service regulations on the timing of a property’s conditions at the time of any gift.)</p> <p>Easement Compliance</p> <p>The model conservation and agricultural conservation easement templates require that each easement include a provision to provide access to the grantee (RCO’s project sponsor) to conduct a general inspection of the easement area and to monitor compliance with the easement terms. RCO recommends a project sponsor conduct easement monitoring at least annually. Project sponsors must submit an easement monitoring report to RCO at least once every five years¹³.</p>
<p>Trail & Access Easements, page 10</p> <p>Easements are sometimes the preferred option for securing perpetual access. Easements may be desired for purposes of site management or for public recreation. At minimum easement documents must include:</p> <ul style="list-style-type: none">• A precise legal description with corresponding boundary map• Statutory language necessary to convey real property interests in Washington state• Statement of duration	<p>Trail and Access Easements, page 9</p> <p>Trail easements may be appropriate for trail-related projects such as trail corridors. Access easements may be necessary to secure legal or public access to a property or for construction purposes. (Temporary construction easements are not covered under this policy.) Trail and access easements must include:</p> <ul style="list-style-type: none">• A surveyed legal description and map;• Statutory language necessary to convey real property interests in Washington

¹³ Recreation and Conservation Funding Board Resolution 2010-34

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<ul style="list-style-type: none">• Statement of purpose• Clear description of the rights that are being conveyed• Provide right to prevent any activity or use of the property that is inconsistent with the purpose of the trail/access easement• Maintenance clause, and• Provide for a Deed of Right to the state of Washington through IAC-SRFB.	<p>State;</p> <ul style="list-style-type: none">• Statement of duration;• Statement of purpose;• Clear description of the rights that are being conveyed;• Provide right to prevent any activity or use of the property that is inconsistent with the purpose of the trail/access easement;• Maintenance clause; and• An Assignment of Rights to the State of Washington through RCO or include the Assignment of Rights language directly in the easement.
<p>Mitigation Acquisitions, page 10</p> <p>Under certain conditions, IAC funds may be used to buy and/or develop land required by a mitigation plan. Typically, this occurs when a project to be developed with IAC funds eliminates a pre-existing opportunity, amenity, or function.</p> <p>For example, a mitigation plan may require that a wetland to be lost when an athletic field is developed be replaced with property that matches the original wetland’s attributes. In such cases, a portion of the IAC grant may be used to buy and develop the replacement land. When this occurs, IAC urges sponsors to buy land that will also serve as a habitat, natural area, or recreation site. In such cases, the maximum amount of an IAC grant allowed for mitigation is 25 percent. Any property acquired or</p>	<p>Acquisition of Property for Mitigation, page 11</p> <p>RCO funds may be used to buy land required by a mitigation plan when the mitigation is a requirement of a funded RCO project. For example, a new wetland may be required as mitigation for development of an athletic field on an existing wetland area, which may involve acquiring the wetland property.</p> <p>When mitigation is required for development of an RCO funded project, a portion of the RCO grant may be used to buy and develop the mitigation land. The maximum amount of grant funding allowed for the mitigation (including purchase of the land and the construction costs) is 25 percent of the total construction costs of the RCO funded project and associated administrative and engineering costs in the project agreement.</p>

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<p>developed this way is included in the Project Agreement.</p> <p>Acquisitions for mitigation purposes are not eligible in the Salmon Habitat Recovery program.</p>	<p>RCO encourages the purchase and development of mitigation land that serves multiple functions such as providing habitat and recreation at the site. Any mitigation property acquired must be included in the project agreement and included within the legal description of the recorded Deed of Right or Assignment of Rights, whichever is appropriate. Acquisitions specifically for mitigation purposes related to impacts from other projects are not eligible for funding.</p>
<p>Acquiring Publicly Owned Lands, page 10</p> <p>Publicly owned lands are eligible for IAC-SRFB acquisition grants only under the following circumstances:</p> <ul style="list-style-type: none"> • State law requires that the agency owning the land must receive compensation and • The land was not originally acquired by the agency for habitat conservation (for habitat conservation proposals), salmon habitat recovery (for salmon habitat recovery proposals), or recreation use (for outdoor recreation proposals) and • The land has never been publicly managed for habitat conservation (for habitat conservation proposals), salmon habitat recovery (for salmon habitat recovery proposals), or recreation (for outdoor recreation proposals). <p>RCW 39.33.010 provides for the transfer of lands from one public body to another without compensation.</p>	<p>Acquisition of Existing Public Property, page 21</p> <p>In general, property that already is under public ownership or management is not eligible for RCO grant funding. (See the section “Ineligible Projects.”) Land held by a tribal government is not considered public land. There are two exceptions to this policy that allows existing public property to be eligible for RCO grant funding.</p> <ol style="list-style-type: none"> 1. The property was acquired under a waiver of retroactivity. See the section on “Buying Land Without a Signed RCO Project Agreement ”; <u>or</u> 2. The following three circumstances are satisfied: <ol style="list-style-type: none"> A. State law requires that the agency selling the land must receive compensation, <u>and</u> B. The land was not originally acquired by the selling agency for habitat conservation (for habitat conservation proposals), salmon habitat recovery (for salmon habitat recovery proposals), or recreation use (for outdoor recreation proposals), <u>and</u>

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	<p>C. The land has never been publicly managed for habitat conservation (for habitat conservation proposals), salmon habitat recovery (for salmon habitat recovery proposals), or recreation (for outdoor recreation proposals).</p> <p>State law¹⁴ provides for the transfer of land from one public body to another without the requirement of full value compensation. Therefore, a project sponsor must provide other statutory evidence that the selling agency must receive compensation for the property. For example, state law¹⁵ requires full value compensation of land when a local government transfers property from one department to another, and another state law¹⁶ requires irrigation districts to receive reasonable market value in certain transactions.</p> <p>For projects in the Land and Water Conservation Fund, the property must be acquired under a waiver of retroactivity and meet only criteria 2(a) and 2(b) above.</p>
<p>Acquisition of Structures to be Retained, page 11</p> <p>A structure incidental to a project is eligible for IAC grant assistance if it will be demolished, or if it is allowed by program policy to be used to support the primary habitat conservation or outdoor recreation activity at the site. The anticipated use</p>	<p>Existing Structures, page 25</p> <p>All structures on property acquired with RCO grants must be removed or demolished unless RCO determines the structure is allowed by program policy and will support the intended uses at the site. Allowable structures vary by program. Consult the</p>

¹⁴ Chapter 39.33 Revised Code of Washington

¹⁵ Revised Code of Washington 43.09.210

¹⁶ Revised Code of Washington 87.03.136

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<p>must be clearly identified in the project application so that IAC may determine the structure’s significance to the project. Allowable support facilities vary by program. Consult the appropriate program policy manual for guidance on allowable facilities.</p>	<p>appropriate program policy manual for guidance on allowable structures. New proposed uses of structures must be reviewed by RCO per the requirements in “Manual 7: Funded Projects.”</p> <p>Before demolition or removal of any structure or any ground disturbing activity, a project sponsor must comply with cultural resources review requirements in this manual under the “Cultural Resources Review” section.</p> <p>If a project sponsor wishes to retain a structure that exists on the property, the intended use of the structure must be clearly identified in the grant application. RCO then will determine whether the structure is eligible to be retained per the specific grant program policies. If allowed, discussion of the structure's purpose and use must be included in the evaluation process.</p> <p>If a project sponsor wishes to retain a structure that is not eligible for RCO grant funding, then the structure and associated land and support facilities must be excluded from the grant proposal. See the section on “Project Scoping” for more details on how to exclude areas from the scope of an RCO project.</p>
<p>Encumbrances, page 11</p> <p>Property rights acquired with IAC-SRFB funding assistance must be free of encumbrances that limit the value or uses disproportionately to the public benefit (i.e., habitat conservation or salmon habitat recovery values or the recreation use of a site).</p> <p>Appraisal reports must include consideration of existing encumbrances in order for an</p>	<p>Encumbrances, page 43</p> <p>Property rights acquired with RCO funding must be free of encumbrances that disproportionately limit the value or uses for the public (i.e., habitat conservation or salmon habitat recovery values or the recreation use of a site). RCO will make the final determination on which encumbrances on the property do not conflict with the</p>

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acquisition to qualify for reimbursement (page 15).	<p>purpose of the RCO funded project.</p> <p>For example, an encumbrance on the property that allows for maintenance of a river dike may conflict with the salmon recovery purpose of the RCO funded project or an encumbrance for air rights over a proposed park acquisition may limit the type of future development allowed on site. Other examples of encumbrances that may be of concern are liens, lack of legal access, designated forest land or open space classifications, leases, septic drain fields, and other items that may limit the implementation of the RCO project.</p> <p>Appraisal reports must consider the impact of all encumbrances to the market value of the property at the time of closing for the acquisition to qualify for reimbursement. If the appraisal contains assumptions that may impact value, RCO may require those assumptions to be completed at closing (e.g., assumptions regarding legal access would need to be acquired). The final title insurance policy must show that the property rights are free of unacceptable encumbrances as determined by RCO.</p>
<p>Acquisition & Relocation Policies, page 11</p> <p>Federal and state laws require agencies to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, commonly referred to as the Uniform Relocation Act, or URA (Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, P. Law. 100-17-1987; and chapter 8.26 RCW) on federally funded public projects. Failure to comply could lead to the loss of federal funding. Based on this, each applicant should review chapter 8.26</p>	<p><i>Combined with Relocation Procedures section below.</i></p>

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<p>RCW to determine its need to comply. This should be done before submitting a land acquisition application, as IAC-SRFB is not responsible for providing advice regarding compliance. Please be advised compliance with the URA is mandatory for most recipients of federal funds.</p> <p>Regardless of whether or not a sponsor follows chapter 8.26 RCW, all sponsors must still abide by the appraisal and review requirements set forth in this manual (pages 15 and 18).</p>	
<p>Uniform Acquisition Procedures, page 11</p> <p>The following procedures satisfy the acquisition requirements of the Uniform Real Property Acquisition portion of RCW 8.26.180 and chapter 468-100 WAC. While these requirements may apply to others, at minimum, agencies awarded LWCF or other federal monies must comply with these procedures:</p> <ol style="list-style-type: none">1. The agency contacts the owner to learn if the land is for sale. In writing, the sponsor also offers the owner and tenants relocation assistance in accordance with the Uniform Relocation Act (page 7H40). Neither purchase negotiations nor price shall be discussed at this time. The parties may, however, discuss how they will determine the purchase price.2. The agency determines whether or not relocation of owner or tenants will be involved and provides them with a written notice describing the agency’s relocation program.3. The agency has the real estate appraised (page 15) and provides the owner with an opportunity to be present during the appraiser’s inspection. (Appendix A)	<p>Acquisition Procedures, Page 33</p> <p>All project sponsors of all RCO acquisition projects must follow the acquisition procedures in Revised Code of Washington 8.26.180 and Chapter 468-100 Washington Administrative Code. These procedures apply to all RCO grant funded acquisition projects, both state and federal funding sources, regardless of whether there is relocation involved in the transaction and regardless of the type of project sponsor. Below is a step-by-step process that is intended to guide project sponsors in meeting the required procedures. If a project sponsor has a different process, contact RCO to ensure compliance with the requirements.</p> <p>Project sponsors must follow these procedures:</p> <ol style="list-style-type: none">1. Contact the landowner to learn if the property is for sale or if they are willing to entertain an offer.2. In writing, inform the landowner that they are not compelled to sell the property to the agency, rather this is a voluntary transaction and relocation

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<p>4. The agency has the appraisal reviewed by an IAC-SRFB approved procedure (page 18). After receiving the reviewed (estimated) fair market value from the review appraiser, the agency may follow one of two options:</p> <p>a. Follow these steps if the agency wishes to negotiate an option for the property before IAC-SRFB approval:</p> <p>i. Using the "Offer of Purchase at Estimated Just Compensation" (page 26), the agency informs the owner of the value of the property based on the results of the reviewed appraisal. In writing, the agency also offers the owner and tenants eligible relocation costs. Nonprofit organizations and others exempt from RCW 8.26 may use the "Offer to Purchase" (page 27).</p> <p>ii. The agency secures an option to acquire the property. The option agreement must^[4F17]:</p> <p>1. Be based on the offer to purchase.</p> <p>2. Not commit the agency to acquire the property.</p> <p>3. Stipulate that the cost of securing the option is to be applied to the purchase price, if the cost of the option is to be an eligible cost.</p> <p>4. Be valid at least 40 days beyond the date an IAC-SRFB</p>	<p>assistance will be provided for tenants that are eligible displaced person in accordance with the Uniform Relocation Act¹⁸. The value of the property or the purchase price is not discussed at this time. The parties may discuss how the property will be valued and how they will determine a purchase price. A sample notice is available in Appendix I. Provide a copy of the notice to RCO.</p> <p>3. If applicable, consult with an approved relocation agent and determine the eligibility of any relocation assistance for any tenants. See the section below on relocation requirements.</p> <p>4. If applicable, provide the landowner a written notice describing the relocation program.</p> <p>5. Obtain an appraisal of the property and provide the landowner an opportunity to be present during the appraiser's inspection.</p> <p>6. Obtain a review of the appraisal to confirm the value of record.</p> <p>7. Present the landowner with a notice of just compensation and relocation, which informs the landowner of the appraised market value of the property and offers eligible tenant relocation assistance, if applicable. A sample notice is available in Appendix J. Provide a copy of the notice to RCO.</p> <p>8. Negotiate an option agreement or purchase and sale agreement with the landowner. If an option agreement or purchase and sale agreement is secured before execution of an RCO project agreement, the agreement should:</p>

^[17] These elements are especially important if the sponsor does not have adequate resources to acquire the property without IAC-SRFB funds.

¹⁸ Chapter 8.26 Revised Code of Washington

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<p>Project Agreement would be issued.</p> <p>b. After receipt of the executed Project Agreement, follow these steps if the agency does not plan to secure an option before acquiring the property:</p> <p>i. Using the "Offer of Purchase at Estimated Just Compensation" (pages 26 and 27), the agency informs the owner of the value of the property based on the results of the reviewed appraisal. In writing, the agency also offers the owner and tenants eligible relocation assistance in accord with the Uniform Relocation Act (page 11). Nonprofit organizations and others exempt from RCW 8.26 may use the "Offer to Purchase" (page 27).</p> <p>ii. The agency acquires the property by a Warranty Deed, easement, lease execution or other IAC-SRFB approved instrument.</p>	<p>a. Be based upon the notice of just compensation value established by an appraisal and confirmed by an appraisal review;</p> <p>b. Not commit the project sponsor to acquire the property;</p> <p>c. Stipulate that any cost of securing an option is to be applied to the purchase price (This ensures that the cost of the option is an eligible RCO grant expense later.)</p> <p>d. Be valid at least 40 days beyond the date an RCO Project Agreement is issued.</p> <p>9. Conduct any due diligence proceedings (e.g., title review, hazardous substances review, etc.), ensure compliance with RCO policies, and obtain RCO approval for any draft legal documents.</p> <p>10. Acquire the property and record conveyance documents (e.g., deed, easement, lease) and a RCO Deed of Right or Assignment of Right, as applicable, with the county auditor's office.</p>
<p>Uniform Relocation Assistance, page 12</p> <p>The sponsor may perform the administrative services needed to prepare a Relocation Plan, prepare relocation cost estimates, and relocate displaced persons if it has a qualified agent (staff or contract). OIAC must agree in advance on the qualifications of the agent to perform the work and it must be approved by the lead agency,</p>	<p>Relocation Procedures, page 35</p> <p>Federal and state laws require RCO to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, commonly referred to as the Uniform Relocation Act, or URA on all federal and state funded projects.¹⁹</p>

¹⁹ Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, P. Law. 100-17-1987; and chapter 8.26 Revised Code of Washington

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<p>Washington State Department of Transportation (WSDOT). Otherwise, the sponsor will need to hire either a qualified consultant, a qualified staff person from another state agency, or relocation staff from WSDOT to perform these services. The sponsor pays the cost of these services directly to the consultant or agency.</p> <p>The sponsor must inform property owners and tenants about the relocation assistance entitlements for which they may be eligible. This should be done according to the procedures set forth in the Uniform Relocation Act. Be aware the Act is specific about when and how relocation is discussed with those persons considered displaced.</p> <p>For more information about relocation assistance or acceptable forms to be used in providing relocation assistance, contact WSDOT, Real Estate Services Relocation Program Manager, 360/ 705-7329 or visit the WSDOT web site at 1Hwww.wsdot.wa.gov/realestate.</p>	<p>Local agencies (e.g., cities, counties, and special purpose districts) with powers of eminent domain may opt out²⁰ of the relocation requirements if the project <u>does not</u> involve federal funds. A local agency requesting to opt out of the relocation requirements should inform RCO of its exemption status before closing on the acquisition. All other RCO project sponsors must comply with the relocation requirements.</p> <p>An RCO funded acquisition that involves the purchase of property from a willing seller is considered a voluntary transaction.²¹ The project sponsor must provide the property owner written assurance that the property will not be acquired through condemnation at the beginning of any negotiation. As the acquisition is a voluntary transaction, the seller is not eligible for relocation but any tenant that qualifies as a displaced person is eligible for relocation per an approved relocation plan. A tenant is a person who has the temporary use and occupancy of real property owned by another.²² A tenant may have a residential or business use on the property.</p> <p>When a project sponsor must acquire property through condemnation and it is eligible in the RCO grant program, RCO will reimburse for residential and tenant relocation expenses for eligible displaced people per an approved relocation plan. Acquisition of property through condemnation is prohibited in the salmon recovery grants program</p>

²⁰ Revised Code of Washington 8.26.010(2)
²¹ Washington Administrative Code 468-100-101(2)(a).
²² Washington Administrative Code 468-100-002

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	<p>and the Washington Wildlife and Recreation Program.</p> <p>The project sponsor must conduct administrative services needed to comply with the Uniform Relocation Act,²³ if there are eligible displaced people associated with the property. These services may include preparation of a relocation plan, relocation cost estimate, and relocation services. RCO must agree in advance on the qualifications of the relocation agent to perform the work. The relocation agent must be approved by the lead agency, Washington Department of Transportation. The project sponsor may need to contract with another state agency, such as the Department of Transportation, to perform these services. When contracting for relocation services, be sure to instruct the relocation agent as to whether the acquisition is a voluntary transaction (common for RCO funded projects) or being conducted through eminent domain authority (not common for RCO funded projects). Administrative costs and contracts to conduct relocation are eligible relocation expenses in an RCO grant.</p> <p>For more information about relocation assistance or acceptable forms to be used in providing relocation assistance, contact the Department of Transportation’s Real Estate Services Relocation Program at www.wsdot.wa.gov/realestate/.</p>
<p>Acknowledgment & Signs, page 13</p> <p>Land acquisition project sponsors must acknowledge the IAC-SRFB funding assistance, by program if possible. This includes:</p>	<p>Funding Acknowledgement and Signs, page 51</p> <p>All acquisition projects, except projects in the Washington Wildlife and Recreation Program’s Farmland Preservation Program, must acknowledge the RCO grant, by program, at the project site. Funding acknowledgement must be posted before the</p>

²³ Chapter 8.26 Revised Code of Washington

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<ul style="list-style-type: none">• Prominent placement of on-site signs, unless waived by the Director. The sponsor may build such signs to harmonize with an existing design standard or request a standard acknowledgement sign from OIAC.• In any release or publication developed or modified for the project.• Comments at dedication ceremonies; notify OIAC at least two weeks before the ceremony. <p>Some habitat conservation or salmon habitat recovery areas contain species or other resources so sensitive that it is unwise to allow access to the general public. In these cases, the sponsor should seek IAC-SRFB approval to waive signing and/or public access requirements.</p>	<p>project agreement end date. Project sponsors must send evidence of the funding acknowledgement to RCO by a photograph or some other evidence.</p> <p>Some habitat conservation or salmon habitat recovery areas contain species or other resources so sensitive that it is unwise to places signs at the site. In these cases, the project sponsor may seek RCO approval to waive signing requirements.</p> <p>Acknowledgement includes:</p> <ul style="list-style-type: none">• Prominent placement of a sign on the property, unless waived by RCO. The sponsor may build such signs to harmonize with an existing design standard or request a standard acknowledgement sign from RCO.• Recognition in any release or publication developed or modified for the project.• Recognition at dedication ceremonies. Notify RCO at least two weeks before the ceremony if you wish to have a representative of RCO at the ceremony.
<p>When Land Acquisition Costs Exceed Fair Market Value, page 13</p> <p>IAC-SRFB accepts an appraisal as a valid estimate of a property’s value if the appraisal has been reviewed and approved as described on pages 15 and 18. After the appraisal (reviewed and approved), however, negotiations between the seller and sponsor may establish a higher price.</p> <p>If the sponsor plans to seek IAC-SRFB reimbursement for this higher price, it must ask for approval by the Director. This written request must discuss:</p>	<p>Acquisition for More than the Appraised Value, page 14</p> <p>RCO reimburses for property costs based upon the property’s appraised value confirmed by an appraisal review. The appraised value is the just compensation for purchase of the property and the amount eligible for RCO grant funding and sponsor matching share. If negotiations with the property owner establish a higher price, the project sponsor may agree to pay a higher price and only seek reimbursement from RCO based upon the appraised market value.</p> <p>In limited circumstances, RCO may approve paying up to 10 percent more than the</p>

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<ul style="list-style-type: none">• Why the property owner does not accept the appraised value, and• Why the project sponsor and the IAC-SRFB should pay more than this estimated fair market value. <p>In such cases, IAC-SRFB considers both the negotiated price and appraised value in establishing its reimbursement and/or grant amount.</p> <p>The Director may approve paying up to 10 percent more than the appraised value of a property. The 10 percent amount is based on the appraisal (reviewed and approved). Such cost adjustments are made on a parcel-by-parcel or property basis, not on the total project cost.</p> <p>This approval does not include additional funds for the project; however, it does allow reimbursement based on the higher approved purchase price. IAC sponsors may seek IAC approval for any increase greater than 10 percent. Sponsors should review IAC-SRFB program policy manuals and IAC Manual #7, Funded Projects: Policies and the Project Agreement for information regarding cost increases for acquisition projects.</p> <p>Once IAC-SRFB awards funding, a sponsor can pay more than the appraised value (reviewed and approved) without approval if it does not seek a cost increase or reimbursement for the higher value. If IAC-SRFB denies an increase, the sponsor may pay more than the appraised value if the sponsor bears the responsibility of the increased cost.</p>	<p>appraised market value of the property. Approval to pay more than the appraised market value is not approval for additional grant funds or a grant cost increase. It allows RCO to reimburse at the higher approved purchase price. Approvals are made on individual properties, not for the entire scope of a project. Requests for reimbursement above 10 percent of the appraised market value must be approved by the Recreation and Conservation Funding Board or Salmon Recovery Funding Board.</p> <p>A project sponsor must request approval to pay more than the appraised market value before closing on the property. RCO will not approve a request to pay above the appraised market value if the request is submitted to RCO after the project sponsor has closed on the property. The written request must address the following questions and include a copy of the appraisal, appraisal review, and draft purchase and sale agreement or option agreement.</p> <ol style="list-style-type: none">1. What was the appraised value of the property?2. What is the proposed purchase price?3. Explain how the appraised value may not reflect the property’s market value. Include adequate market data to substantiate the purchase price.4. How far back in time or how far afield did the appraiser need to go to find comparable values? Were there adequate comparables readily available?5. Did any of the comparables include other RCO or public or private conservation or park acquisitions?

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	<div>6. Are there any proposed interim land uses on the property?</div> <div>7. How will the additional property expense impact the project scope? Will the original scope of work still be completed even if a higher purchase price is approved?</div> <div>8. Are there alternative properties within the project agreement that could be pursued or is this project unique in some way (e.g. specific park location, wildlife species nesting area on site, sensitive plant species on site, etc.)?</div> <div>When considering whether to pay above the appraised market value, RCO considers both the negotiated price and appraised market value in establishing its reimbursement and grant amount.</div> <div>If RCO denies approval to pay above the appraised market value, the project sponsor may pay the higher price at its own expense and the amount is not eligible for RCO funding or as sponsor match.</div>
<div>Documentation Required for Land Donations, page 14</div> <div>If the project sponsor buys the land for less than estimated fair compensation and seeks a donation of credit for this value, a statement of difference in value must be supplied to IAC-SRFB. The statement must be signed by the seller and acknowledge that before the sale, the owner:</div> <div><ul style="list-style-type: none">Was aware of the estimated just compensation amount</div>	<div>Land Donations, page 25</div> <div>Property acquired at less than its appraised market value is eligible for RCO grant funding as a land donation from the seller. The land donated must meet program eligibility requirements. The land donation transaction must follow the Acquisition Procedures section in this manual and provide all the required documentation including appraisal, appraisal review, hazardous substances certification, title</div>

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<ul style="list-style-type: none">Was offered the estimated just compensation amount, if required (see the section titled Acquisition & Relocation Policies, page 11).Made the choice to sell for less than the estimated fair compensation voluntarily, as an act of free will.	<p>insurance, etc. Costs associated with acquiring donations of land are eligible grant expenses.</p> <p>If the property is acquired at less than the appraised market value, the project sponsor must provide a Purchase and Sale Agreement or obtain a statement signed by the landowner acknowledging that before the sale the owner:</p> <ul style="list-style-type: none">Was provided a statement of just compensation which identifies the appraised value of the property including land, improvements, and relocation, <u>and</u>Is donating all or a portion of the value of the property voluntarily, as an act of free will.The landowner donation statement must be provided at the time the project sponsor requests reimbursement from RCO. <p>In general, donations of land in lieu of mitigation fees permit fees, and impact fees, or dedication of land as a requirement of a permit approval for third party related development impacts are not eligible donations of land for RCO grant purposes and may not be used as sponsor match. Land value in excess of the land donation required by the mitigation, permit, or impact fee requirement is eligible as sponsor match.</p>
<p>Escrow Payments, page 14</p> <p>Although IAC-SRFB local agency and nonprofit organization grant programs typically operate on a reimbursement basis, after execution of a Project Agreement, escrow</p>	<p>Escrow Payments, page 50</p> <p>Although RCO grants operate on a reimbursement basis, RCO can deposit money in an escrow account for a pending acquisition as long as certain conditions are met. RCO</p>

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<p>payments for acquisitions may be made. Requests for such payments must include copies of:</p> <ol style="list-style-type: none">1. A legally binding agreement between the sponsor and seller, normally called a "Purchase and Sale Agreement".2. A copy of the Buyer’s Estimated Settlement Statement.3. Evidence showing that the sponsor's share has been deposited into an "Escrow" account.4. The "Transfer Deed(s)" (which may or may not have been executed).5. The "Deed of Right/Assignment of Rights" (which may or may not have been executed).6. The "Preliminary Title Insurance Report," if not previously provided.7. The "Offer to Purchase" if required.8. Hazardous Substances Certification. <p>After IAC-SRFB advances payment, a copy of the executed and recorded deed, recorded "Deed of Right/Assignment of Rights," and Title Insurance Policy, naming the sponsor as legal owner, must be promptly provided.</p>	<p>requires a minimum of 30 days to process an escrow payment. Contact RCO early to begin the escrow payment process. Once an escrow payment is approved, it can take three to seven business days for the funds to be received in escrow.</p> <p>A project sponsor must request an escrow deposit in writing and include the following documents:</p> <ol style="list-style-type: none">1. Acquisition reimbursement forms (e.g., A-19, Form 201 and Form 207) as required in "Manual 8: Reimbursements."2. The "Voluntary Acquisition Notice" and the "Just Compensation and Relocation Notice."3. Landowner donation statement, if applicable.4. A legally binding agreement between the project sponsor and the landowner, typically a "Purchase and Sale Agreement" or an "Option Agreement."5. A copy of the Buyer’s Estimated Settlement Statement with evidence showing that the project sponsor’s matching share has been deposited into the escrow account.6. Escrow payment instructions that include reference to recording RCO’s Deed of Right or Assignments of Rights, as applicable.7. The draft transfer deed, easement, or lease.8. The draft Deed of Right (for fee title acquisitions) or Assignment of Rights (for easements and leases).

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	<div>9. Baseline inventory (for conservation easements only).</div> <div>10. An updated preliminary title insurance report, if not previously provided.</div> <div>11. Appraisal and appraisal review.</div> <div>12. Hazardous Substances Certification and supporting checklist or environmental audit. (Not required for projects funded in the Washington Wildlife and Recreation Program’s Farmland Preservation Program.)</div> <div>Once RCO deposits grant funding into the escrow account, closing must occur within 30 days or RCO may request the funds be returned. After the transaction is complete, a copy of the executed and recorded conveyance document, recorded Deed of Right or Assignment of Rights, and final title insurance policy, naming the sponsor as legal owner, must be provided within 60 days of closing.</div>
<div>Compatible Multiple Use, page 14</div> <div>IAC-SRFB allows non-outdoor recreation, salmon habitat recovery or habitat conservation use of acquisition projects, such as timber management, grazing, and other natural resource uses. These uses must be:</div> <div><ul style="list-style-type: none">Clearly compatible with the outdoor recreation, salmon habitat recovery or habitat conservation use approved in the Project AgreementClearly secondary to the outdoor recreation, salmon habitat recovery or habitat conservation use approved in the Project Agreement</div>	<div>Compatible Uses, page 52</div> <div>RCO allows non-outdoor recreation, salmon habitat recovery, or habitat conservation use of acquisition projects, such as timber management, grazing, and other natural resource uses. These uses must be:</div> <div><ul style="list-style-type: none">Clearly compatible with the outdoor recreation, salmon habitat recovery, or habitat conservation use approved in the project agreementClearly secondary to the outdoor recreation, salmon habitat recovery, or</div>

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<ul style="list-style-type: none"> • Approved by the Director in writing. 	<p>habitat conservation use approved in the project agreement</p> <ul style="list-style-type: none"> • Approved by RCO in writing.
<p>Public Access, page 14</p> <p>In most cases, regardless of whether the property is developed, lands acquired with IAC grant assistance must be available for public use. Use of undeveloped or partially developed recreation areas may be restricted, however, total exclusion of the general public must be avoided.</p> <p>Sponsors must immediately dedicate lands acquired with IAC-SRFB assistance to public use. No one must deny the public this access even in the period between acquisition and any planned development or restoration.</p> <p>Exceptions. On request, the Director may, in writing, allow the following exceptions to this public access policy:</p> <ul style="list-style-type: none"> • Sensitive natural areas, salmon habitat recovery sites and critical habitats. • Areas where safety is a temporary issue. 	<p>Public Access, page 23</p> <p>In most cases, regardless of whether the property is developed, all property acquired in fee title with RCO grants must be available for public use. Public use means that the general public has regular access and use of property acquired with RCO grants. Where appropriate, public use may be limited to non-motorized access only or as allowed by the grant program from which funding was derived or as defined in the project agreement.</p> <p>Providing public use to the site does not mean that developed facilities must be provided. Project sponsors must immediately dedicate lands acquired with RCO grants to public use even in the period between acquisition and any planned development or restoration. Use of undeveloped or partially developed properties may be restricted; however, total exclusion of the general public must be avoided. RCO may approve a request to restrict the public’s use of a property to protect sensitive natural areas, salmon habitat recovery areas, critical habitats, or cultural resources.</p>
<p>Interim Land Uses, page 15</p> <p><i>Second Party Use</i></p> <p>Sometimes a sponsor may wish to request that IAC-SRFB allow a second party’s on-site</p>	<p>Interim Land Uses, page 26</p> <p>Sometimes a landowner or lessee may wish to retain certain uses on a property as part of a negotiation with a project sponsor to acquire a property. Certain uses may be allowable with prior RCO approval. A project sponsor must request approval for an</p>

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<p>activity even though the activity is not addressed in the Project Agreement. The Director may, in writing, allow this use when:</p> <ul style="list-style-type: none">• The use is a continuing second party use• Any hindrance to public use of the assisted site is minimal• The second party’s use will be phased out within three years of the date of acquisition• Use of any income derived from the second party use is consistent with the IAC-SRFB income policy. <p>Life Estates</p> <p>Under a life estate, an owner uses IAC-SRFB assisted property to the end of his or her life. IAC-SRFB allows life estates when:</p> <ul style="list-style-type: none">• The estate does not totally limit public use of the site• The impact of the reservation of the estate is addressed in the valuation of the property. Appraisers should treat a life estate as an encumbrance.• The Director gives written approval of the estate’s provisions.	<p>interim land use before closing on the property and taking ownership.</p> <p>RCO may approve certain land uses on an interim basis to allow the landowner or lessee an opportunity to continue use of the land as described below.</p> <p>Existing Second Party Use</p> <p>A secondary party use is a use that was occurring on the land before the property was acquired by the project sponsor and the landowner or lessee wishes to continue that use after the property is acquired with RCO grants. The secondary party may be the landowner who sold the property to the project sponsor or another party with existing rights.</p> <p>RCO may approve a second party use when:</p> <ul style="list-style-type: none">• The use is a <i>continuing</i> second party use. The use already is occurring on the land at the time the property is acquired;• The use does not unreasonably limit public use or the achievement of the purpose of the RCO project agreement or RCO funding program;• The second party’s use will be phased out within three years of the date of acquisition. If the use will proceed longer than three years, it must be reviewed under the compatible use policy in this manual; and• Use of any income derived from the second party use is consistent with the RCO income policy in “Manual 7: Funded Projects”²⁴.

²⁴ Recreation and Conservation Funding Board Resolution 2010-34

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	<p>For Land and Water Conservation Fund projects only, RCO may withhold a percentage of the grant funds until the secondary party use ceases based upon an amount determined by the National Park Service.</p> <p><i>Life Estates</i></p> <p>A life estate is a real property interest in the form of a reservation on the deed which is held for the duration of a person’s life. RCO may approve a life estate when:</p> <p>The life estate does not unreasonably limit public use or achievement of the purpose of the RCO project agreement or RCO funding program;</p> <ul style="list-style-type: none">• The life estate is for the owner(s) of the property only, not for successive generations;• The impact of the reservation of the life estate is addressed in the valuation of the property. Appraisers must treat a life estate as an encumbrance; and• The terms or covenants of the life estate have been reviewed and accepted by RCO²⁵.
<p>Estimating Land Value, page 15</p> <p>As a part of the application process, applicants must identify one of the following as</p>	<p><i>Deleted as this is part of application cost estimate in PRSIM.</i></p>

²⁵ Recreation and Conservation Funding Board Resolution 2010-34

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<p>evidence of the proposed land acquisition’s value:</p> <ul style="list-style-type: none">• An Appraisal, with or without review, or• Letter of Opinion (see Appendix E for format), or• Estimate of Value by an agency or organization staff member.	
<p>Appraisal Requirements, page 16</p> <p>The applicant/sponsor must obtain and pay for a real estate appraisal and review when a land acquisition is to be assisted with IAC-SRFB funds. These reports may not be procured by the seller or other party with an actual or potential interest in the sale unless approved by the Director. If IAC-SRFB awards funding for the acquisition, the cost of these reports is eligible for reimbursement even if incurred before execution of the Project Agreement. Note that appraisals and reviews are not eligible as match or for reimbursement in the federal LWCF program.</p> <p>The appraisal standards for federally funded grant programs differ from those for state funded grant programs. If the applicant/sponsor is seeking a federal grant for acquisition (LWCF and some SRFB), then the appraisal report and review must be in compliance with the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).</p> <p>For all other funding programs, IAC-SRFB recognizes the appraisal standards recommended by the current Uniform Standards of Professional Appraisal Practice (USPAP) publication with the following exceptions:</p>	<p>Just Compensation, page 37</p> <p>RCO determines just compensation to landowners based on appraisals and reviews of those appraisals. The project sponsor first contracts for an appraisal of the property to determine the market value of the property. Then the project sponsor contracts for an independent review of the appraisal to confirm the market value identified in the appraisal.</p> <p>Appraisal and Review Appraisal Standards</p> <p>There are two forms of acceptable appraisal and review appraisal standards depending upon the source of funding for the acquisition project. For projects funded with state money, the project sponsor must instruct the appraiser and review appraiser to use the standards set forth in the <i>Uniform Standards of Professional Appraisal Practice</i> (USPAP) publication. The appraised market value of the property must be a point value, rather than a value range. (Example: \$257,000 rather than \$240,000 to \$270,000).</p> <p>For projects funded with federal funds (i.e., some Salmon Recovery Grants and all Land and Water Conservation Fund grants), the project sponsor must instruct the appraiser and review appraiser to use the standards set forth in the <i>Uniform Appraisal</i></p>

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<ul style="list-style-type: none">• Extraordinary Assumptions and Hypothetical Conditions must be clearly listed and justified in the appraisal report and be found reasonable by the review appraiser;• Appraisals must include consideration of existing encumbrances;• The restricted format for reporting appraisals is not acceptable; and• Appraisers must provide a point value, rather than a value range (Example: \$257,000 rather than \$240,000 to \$270,000). <p>These exceptions are deemed necessary to ensure prudent use of public funds, and are discussed in further detail in the text below. It is the responsibility of applicants/sponsors to share these exceptions in writing with the appraisers and review appraisers who will be preparing documents for the funded project.</p> <p>Appraisal reports include a statement of assumptions and limiting conditions. Applicants/sponsors should avoid the use of hypothetical conditions unless consistent with USPAP guidelines. If the appraiser uses extraordinary (special) assumptions and/or hypothetical conditions, the appraiser must clearly state these within the report and must provide a reasonable basis, or justification, for using them. Additionally, the review appraiser must list all extraordinary (special) assumptions and /or hypothetical conditions and comment on their reasonableness. If the findings are that the assumptions or conditions are not reasonable, the value of the land may not be supported and sponsors risk the burden of additional costs that are not eligible for reimbursement.</p> <p>The appraiser and review appraiser must consider the impact on value of encumbrances and reservations that will be on the property as it is finally to be</p>	<p><i>Standards for Federal Land Acquisitions</i> (UASFLA). In addition, projects in the Land and Water Conservation Fund must follow special appraisal instructions (see “Manual 15: Land and Water Conservation Fund”). When an acquisition project will receive funding from both state and federal sources, the project sponsor may apply the federal standards to the entire project.</p> <p><i>Extraordinary Assumptions and Hypothetical Conditions</i></p> <p>All appraisal reports include a statement of assumptions and limiting conditions. In addition, an appraisal may include extraordinary assumptions or hypothetical conditions upon which the appraiser based the market value of the property. Project sponsors should avoid the use of hypothetical conditions unless consistent with USPAP guidelines. If the appraiser uses extraordinary (special) assumptions or hypothetical conditions, the appraiser must clearly state these within the report and must provide a reasonable justification for using them. Additionally, the review appraiser must list all extraordinary assumptions and hypothetical conditions and comment on their reasonableness. If the findings are that the assumptions or conditions are not reasonable, the value of the land may not be supported. RCO may not accept the appraisal and require a new appraisal without unsupported assumptions and conditions.</p> <p>RCO recommends that any extraordinary assumptions or hypothetical conditions (e.g., legal access, zoning, encumbrances, etc) provided to the appraiser first be reviewed by RCO for compliance with RCO policies and the project agreement. RCO reserves the right to require a project sponsor to update an appraisal or get a new appraisal, at the project sponsor’s expense, if the appraised value of the property is subject to any</p>

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<p>conveyed, which may be different than characterized on the preliminary title report. It is the responsibility of the project sponsor to provide the appraiser and review appraiser with the preliminary title report and the encumbrance documents. In addition, the sponsor must also inform the appraiser of any changes on title to be made up to closing, including encumbrances which will be cleared and any new encumbrances or reservations which are to be created. An exception to this is the Deed of Right/Assignment of Rights required by IAC-SRFB. IAC-SRFB may require supplemental information or appraisal updates prior to reimbursement if the original report does not accurately reflect the encumbrances in place at the time of conveyance.</p> <p>If a legal requirement beyond the sponsors control would create a new encumbrance at closing and the sponsor wishes to instruct the appraiser to disregard the impact to value, the sponsor may seek the Director’s approval for an exception to this policy. All such requests must be submitted in writing.</p> <p>Appraisals for state-funded grant projects are considered to have a “shelf life” of one year from the effective date of the appraisal. Sponsors must either purchase the property within the one-year period or have a signed “purchase and sale” agreement that reflects the appraised and reviewed value. In some cases, when land values are very stable, IAC-SRFB will accept a written statement from the review appraiser certifying that land values have not changed since the effective date of the appraisal. The “shelf life” of an appraisal for state-funded grant programs may not exceed 18 months under any circumstances.</p>	<p>extraordinary assumption or hypothetical conditions not previously reviewed and approved by RCO.</p> <p>Encumbrances</p> <p>When determining the property’s market value, the appraiser and review appraiser must consider encumbrances and reservations that will be on the property as it is finally to be conveyed, which may be different than characterized on the preliminary title report. The project sponsor must provide the appraiser and review appraiser with the preliminary title report and the encumbrance documents. In addition, the project sponsor must inform the appraiser of any changes on title to be made up to closing, including encumbrances that will be cleared and any new encumbrances or reservations that are to be created (except for RCO’s Deed of Right). RCO may require supplemental information or an appraisal update before reimbursement or the release of escrow funds if the original report does not reflect accurately the encumbrances in place at the time of conveyance.</p> <p>Appraisal Shelf Life, Page 39</p> <p>State Funded Projects</p> <p>Appraisals for state funded grant projects are considered valid for one year from the effective or valuation date of the appraisal. Sponsors must either purchase the property or have a signed “purchase and sale” agreement within one year of the effective date of the appraisal.</p> <p>If the property is not acquired or a purchase and sale agreement is not secured within 12 months of the effective date of the appraisal, the project sponsor must obtain a</p>

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<p>Appraisals for federally funded grant projects have a “shelf life” of 12 months.</p> <p>Appraisal updates are acceptable under USPAP and federal guidelines, however a review appraisal is necessary for appraisal updates.</p> <p>OIAC will only reimburse for one appraisal report and one review per property in a given Project Agreement period. The Director will consider written requests to approve reimbursement for an additional appraisal and review. The request must include adequate justification as to why the additional work was required. Updates obtained within 24 months of the original appraisal dates will not be considered a second appraisal for reimbursement purposes.</p>	<p>new appraisal “statement” from the appraiser stating that land values have not changed and the appraised value is the same since the effective date of the appraisal. If the appraiser cannot or will not provide such a statement, the project sponsor must obtain an appraisal update (see below). Costs associated with the appraisal “statement” may be reimbursed by RCO. The shelf life of an appraisal for any state funded grant project may not exceed 18 months under any circumstances.</p> <p>Federally Funded Projects</p> <p>Appraisals for federally funded grant projects are valid for 12 months.</p> <p>Appraisal Updates</p> <p>An appraisal update is a new appraisal assignment to the original appraiser that incorporates information and analysis from the original report to get a more current market value. A review appraisal is required for any appraisal update. Appraisal and review appraisal updates may be reimbursed by RCO. An appraisal update obtained within 24 months of the original appraisal effective date is not considered a new appraisal.</p> <p>Appraisal Costs, page 42</p> <p>The cost to procure an appraisal and review appraisal are eligible project costs and are reimbursable per the project agreement, except for projects funded through the Land and Water Conservation Fund (see below). A copy of the appraisal and review appraisal must be submitted to RCO at the time of the reimbursement request for the appraisal and review costs. RCO recommends the project sponsor submit the appraisal and review appraisal in advance of closing on the property for RCO review to ensure</p>

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	<p>that the scope of the appraisal meets the terms of the project agreement and this manual.</p> <p>If a project is funded through the Land and Water Conservation Fund, the project sponsor must procure the appraisal and review appraisal at its own expense and the cost is not eligible as part of meeting the sponsor match requirement. See “Manual 15: Land and Water Conservation Fund” for more details on eligible acquisition costs in this program.</p> <p>Only one appraisal and one review appraisal for each property is eligible. RCO may approve the cost for a new appraisal and review appraisal on a case-by-case basis in advance. The project sponsor must submit a written request to approve reimbursement for a new appraisal and review that includes adequate justification as to why the new work is required.</p>
<p>Appraising Conversions, page 17</p> <p>A conversion occurs when a sponsor converts the use of a grant-assisted property from its intended use to some other use. See IAC Manual 7, Funded Projects: Policies for a complete discussion of conversions and the process required for replacement of the public investment as required by the Deed of Right or Assignment of Rights.</p> <p>In order to determine the market value of a property being converted, the sponsor must instruct the appraiser to assume the Deed of Right is not encumbering the property. Since the Deed of Right will be extinguished once the conversion is approved, the appraised value should reflect a property free and clear of this</p>	<p>Converting the Use of an RCO Funded Acquisition Project, page 54</p> <p>A conversion occurs when a property acquired with RCO grant funding will be used for purposes other than originally stated in the project agreement. See RCO “Manual 7, Funded Projects” for a complete discussion of conversions and the process required for replacement of the public investment as required by the RCO Deed of Right or RCO Assignment of Rights.</p> <p>When determining the market value of the property being converted, the project sponsor must instruct the appraiser to make a special assumption that the RCO Deed of Right or Assignment of Right is not encumbering the property and to assume zoning</p>

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encumbrance.	<p>has kept up with surrounding properties. Because the RCO Deed of Right or Assignment of Right will be extinguished once the conversion is approved, the appraised value must reflect the property free and clear of this encumbrance.</p> <p>For projects funded in the Land and Water Conservation Fund program, there are specific instructions on how to appraise conversions. See “Manual 15: Land and Water Conservation Fund” for more details on how to conduct appraisals for these projects.</p>
<p>Appraisal Reporting Criteria, page 17</p> <p>USPAP allows three formats of appraisal reports: Self-contained, Summary and Restricted. IAC-SRFB will accept two of the three formats: Self-contained and Summary. Project sponsors must choose the appropriate reporting method established by USPAP based upon the following criteria:</p> <ul style="list-style-type: none">• Self-Contained Appraisal Report: Used if the appraisal problem involves partial land takes, acquisitions involving damages, conservation or other easements, complex appraisal issues, etc.• Summary Appraisal Report: Used if the appraisal problem involves only “whole takes” of the subject property. In other words, use this report when non-complex acquisition of an entire parcel occurs with no partial takings or resulting damages to remaining properties.• Restricted Appraisal Report. IAC-SRFB will not accept appraisals reported in the restricted format. <p>In cases where the estimated value of the subject property does not exceed \$10,000,</p>	<p>Appraisal Report Formats, page 38</p> <p>USPAP allows three formats for appraisal reports: self-contained, summary, and restricted. RCO accepts only self-contained and summary reports. Restricted use reports are not acceptable. In determining whether to obtain a self-contained or summary report, project sponsors should consult with the appraiser on the appropriate reporting method based upon the following criteria:</p> <ul style="list-style-type: none">• Self-Contained Appraisal Report: Used if the appraisal problem involves partial land takes, acquisitions involving damages, conservation or other easements, complex appraisal issues, etc.• Summary Appraisal Report: Used if the appraisal problem involves only “whole takes” of the subject property. In other words, use this report when non-complex acquisition of an entire parcel occurs with no partial takings or resulting damages to remaining properties. <p>Appraisal Waivers, page 39</p>

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<p>and the acquisition is not complex, project sponsors may be exempt from having to meet USPAP reporting standards. Prior approval for such exemptions must be requested in writing. In lieu of normal reporting procedures, a report may be filed that:</p> <ul style="list-style-type: none">• Includes the preparer’s name, experience and qualifications.• Includes a description of the methods and factors used to reach the conclusion. This description must have enough detail to allow IAC to understand how the preparer used market information to decide fair market value.	<p>When the estimated value of the property does not exceed \$10,000, and the acquisition is not complex, project sponsors may be exempt from having to meet appraisal and appraisal review standards. Such exemptions must be requested in writing before closing on the property. In lieu of the appraisal standards, a project sponsor may submit a written “Finding of Value” that includes:</p> <ul style="list-style-type: none">• The preparer’s name, experience, and qualifications. The preparer must have sufficient understanding of the real estate market and shall not have any interest, direct or indirect, in the real property to be valued for compensation. Project sponsor staff may not prepare the “Finding of Value.”²⁶• A description of the methods and factors used to reach the value for compensation. This description must have enough detail to allow RCO to understand how the preparer used market information to decide a market value. <p>Examples of Findings of Value may include an “Administrative Offer” prepared by a certified right-of-way agent, a “Broker Price Opinion” prepared by a qualified real estate broker or other individual, or other narrative summary of recent market information and the analysis used to decide the market value of the property.</p>
<p>Appraisal Reviews, page 18</p> <p>Appraisals valuing IAC-SRFB funded acquisitions require review by another eligible</p>	<p>Appraisal Reviews, page 40</p> <p>Independent appraisal reviews are required for all appraisals to confirm just</p>

²⁶ Recreation and Conservation Funding Board Resolution 2010-34

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<p>appraiser (see next section, Appraiser Qualifications). Values established by appraisal review form the basis of the estimated fair market value and subsequent reimbursement.</p> <ol style="list-style-type: none">1. Appraisal review reporting requirements are established by USPAP.2. If the value of the appraisal review differs from the original appraisal, the reviewer must adhere to the appraisal guidelines listed in this Manual when establishing a new value.3. The review appraiser must either approve or reject the value conclusion. The reviewer may approve the value and either acknowledge that the appraisal meets the guidelines in this manual or develop or obtain the necessary work product to bring the report into compliance. If the reviewer rejects the value, the sponsor must either require the reviewer to provide a compliant value conclusion or obtain a new appraisal. <p>In all instances of desk reviews, where the review appraiser rejects the appraised value and becomes the appraiser of record by providing an alternate value conclusion, the review appraisal must take the form of a field review or new appraisal assignment in accord with IAC guidelines.</p> <p>Appraisal reviews must include field inspections of the subject properties and comparables in cases where the appraisal sets the property value at \$250,000 or higher. Desk reviews are acceptable for properties having a value less than \$250,000.</p>	<p>compensation for the property. Appraisal reviews must include field inspections of the property and comparable sales when the appraisal sets the property value of the acquisition project at \$250,000 or higher. Desk reviews are acceptable for properties having a value less than \$250,000.</p> <p>The review appraiser must approve or reject the value conclusion in the original appraisal.</p> <ul style="list-style-type: none">• If the review appraiser approves the market value established in the original appraisal, he/she either can acknowledge that the appraisal meets the appraisal guidelines in this manual or do the necessary work to bring the original appraisal into compliance. The confirmed market value is the final just compensation for the property.• If the review appraiser rejects the value established in the original appraisal, the project sponsor must either instruct the review appraiser to establish a new property value or obtain a new appraisal. The new property value then becomes the just compensation for the property. If the review appraiser previously had conducted a desk review of the property and now is working to establish a new property value, the review appraisal must take the form of a field review.
Appraiser’s Qualifications, page 18	Appraiser and Review Appraiser Qualifications, page 41 Chapter 18.140 Revised Code of Washington, Certified Real Estate Appraiser Act,

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<p>Appraisers</p> <p>Chapter 18.140 RCW, Certified Real Estate Appraiser Act, establishes three certification or license categories. Sponsors, or applicants must select an appraiser with appropriate certifications or licenses to perform IAC-SRFB assisted acquisitions.</p> <ul style="list-style-type: none">• State-certified general real estate appraiser (license number begins with 270-11): Eligible to develop and communicate real estate appraisals of all types of properties.• State-certified residential real estate appraiser (license number begins with 270-17): Eligible to develop and communicate real estate appraisals of all types of residential property of one to four units without regard to transaction value or complexity and nonresidential property having a transaction value less than \$250,000.• State licensed real estate appraiser (license number begins with 270-16): Eligible to develop and communicate real estate appraisals of noncomplex one to four residential units having a transaction value less than one million dollars, complex one to four residential units having a transaction value less than \$250,000, and nonresidential property having a transaction value less than \$250,000. <p>Sponsor staff may perform appraisals, but must meet the above licensing or certification requirements.</p> <p>Review Appraisers. IAC views the estimated fair market value of real property as the value established by a second appraiser’s review of an eligible appraisal. Project sponsors, or applicants, must use the same methodology and criteria for selecting a</p>	<p>establishes four certification or license categories.</p> <ul style="list-style-type: none">• State-certified general real estate appraiser (license number begins with 270-11): Eligible to develop and communicate real estate appraisals of all types of properties.• State-certified residential real estate appraiser (license number begins with 270-17): Eligible to develop and communicate real estate appraisals of all types of <i>residential</i> property of one to four units without regard to transaction value or complexity and <i>nonresidential</i> property having a transaction value less than \$250,000.• State licensed real estate appraiser (license number begins with 270-16): Eligible to develop and communicate real estate appraisals of noncomplex, one to four residential units having a transaction value less than \$1 million dollars; complex, one to four residential units having a transaction value less than \$250,000; and nonresidential property having a transaction value less than \$250,000.• State registered appraiser trainee (license number begins with 100): Eligible to assist certified real estate appraisers while gaining experience. The appraisal or review appraisal also must be signed by a certified real estate appraiser. <p>Project sponsors must select an appraiser and review appraiser with appropriate certifications or licenses from Washington State to perform appraisal work, unless the appraisal review is conducted by the Natural Resources Conservation Service for a Farmland Preservation Program project. Review appraisers must have an equal or greater license certification than the original appraiser and cannot be selected from</p>

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<p>review appraiser as used for selecting an appraiser.</p> <ul style="list-style-type: none"> • Review appraisers must have an equal or greater license certification than the original appraiser. • Review appraisers cannot be selected from the same firm, organization, or agency/sponsor as the appraiser. • Sponsor staff may perform review appraisals, but must meet the above licensing or certification requirements. 	<p>the same firm, organization, or agency/sponsor who conducted the original appraisal.</p> <p>Project sponsor staff may perform appraisals or review appraisals if they meet the state licensing requirements. Project sponsor staff may not conduct the appraisal and appraisal review on the same property. If a staff person is conducting appraisal work on behalf of the project sponsor, he/she may communicate with the independent appraiser in the role as an appraiser, not as the client or the intended user of the appraisal. A staff person functioning as a negotiator with a property owner may not supervise or formally evaluate the performance of any appraiser or review appraiser.</p>
<p>User Fees and other income, page 19</p> <p>User or other fees may be charged in connection with areas and facilities developed or acquired with IAC-SRFB grants. (Excepted are Firearms and Archery Range Recreation Program safety classes –firearm and/or hunter– for which a facility/range fee must not be charged — RCW 79A.25.210, ¶8.) Such fees must be:</p> <ul style="list-style-type: none"> • Proportional to the value of the service or opportunity provided • Within the prevailing range of public facility fees in the area for similar services or opportunities. • Compatible with the element(s) defined in the Project Agreement. 	<p>Income and Income Use, page 53</p> <p>The source of any income generated in a funded project or project work site must be compatible with the funding source and the agreement. User and other fees may be charged in connection with land acquired or facilities developed with funding board grants if the fees are consistent with the:</p> <ul style="list-style-type: none"> • Value of any services furnished; • Value of any opportunities furnished; and • Prevailing range of public fees in the state for the activity involved.

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<p>Sponsors shall not express a preference for users of IAC-SRFB grant assisted projects on the basis of residence (including preferential reservation, membership, and/or permit systems) except that reasonable differences in admission and other fees may be maintained on the basis of residence. Even so, IAC-SRFB discourages the imposition of differential fees. Fees for nonresidents must not exceed twice the fee imposed on residents. Where there is no fee for residents but a fee is charged to nonresidents, the nonresident fee shall not exceed the amount that would be imposed on residents at comparable state or local public facilities. [WAC 286-13-115(2)].</p> <p>Regardless of whether income or fees in an IAC-SRFB assisted area (including entrance, utility corridor permit, cattle grazing, timber harvesting, farming, riparian plantings, etc.) are gained during or after the reimbursement period cited in the Agreement, unless precluded by state law [WAC 286-13-110(2)], the revenue may only be used to offset:</p> <ul style="list-style-type: none">• The Sponsor’s matching funds; and/or;• The Project’s total cost; and/or• The expense of operation, maintenance and/or repair of the facility or program assisted by the IAC-SRFB grant; and/or• The expense of operation and maintenance of other units in the Sponsor’s park and recreation, salmon habitat recovery and/or habitat conservation system; and/or• Capital expenses for similar acquisition and/or development.	<p>Excepted are Firearms and Archery Range Recreation program safety classes (firearm or hunter) for which a facility/range fee must not be charged²⁷.</p> <p>Regardless of whether income or fees in a project work site (including entrance, utility corridor permit, cattle grazing, timber harvesting, farming, etc.) are gained during or after the reimbursement period cited in the agreement, unless precluded by state or federal law, the revenue may only be used to offset:</p> <ul style="list-style-type: none">• The sponsor’s matching funds.• The project’s total cost.• The expense of operation, maintenance, stewardship, monitoring, or repair of the facility or program assisted by the funding board grant.• The expense of operation, maintenance, stewardship, monitoring, or repair of other similar units in the sponsor’s system.• Capital expenses for similar acquisition or development.

²⁷ Chapter 79A.25.210 Revised Code of Washington

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<p>Civil Rights, page 20</p> <p>Chapter 49.60 RCW is Washington’s Law Against Discrimination. It provides broad protection from bias. Among the many rights provided are equal opportunity in real estate transactions, credit transactions, and the right to enjoy public accommodations.</p> <p>To obtain more information on these and related laws, contact the Washington State Human Rights Commission office in your area.</p>	<p><i>Deleted as it is included in the Standard Terms and Conditions for all projects.</i></p>
<p>Inspections, page 20</p> <p>Office staff may visit each acquisition project site as follows:</p> <ol style="list-style-type: none">1. Pre-award Visit. Made during the application phase, normally with the applicant.2. Post Completion Compliance Visit. Performed periodically to ensure the site is kept as described in the Project Agreement.	<p>Inspections, page 52</p> <p>RCO may visit an acquisition project at reasonable times. Inspections may occur at the application phase, before project funding, during the active project agreement, and post project completion. For less than fee title acquisitions, RCO will follow terms of access as stipulated in the legal document.</p>
<p>Hazardous Substances, page 20</p> <p>Any entity that acquires property may be subject to hazardous waste liabilities, according to the Model Toxics Control Act, RCW 70.105D. IAC-SRFB urges applicants to carefully consider the following requirement before applying for funding assistance.</p> <p>Certification</p> <p>Sponsors that receive funding assistance to buy property must complete a Hazardous</p>	<p>Hazardous Substances Certification, page 45</p> <p>Project sponsors that receive funding to buy real property, except for property acquired in the Washington Wildlife and Recreation Program’s Farmland Preservation Program, must certify that each parcel meets standards established under the Model Toxics Control Act²⁸. Purchase of property contaminated with any hazardous substance not meeting the Model Toxics Control Act’s standards is ineligible for RCO grant funding. A hazardous substance is defined as:</p>

²⁸ Chapter 70.105D Revised Code of Washington

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<p>Substances Certification for each parcel (pages 38 and 39) and provide documentation to support the certification. The Sponsor should complete this certification prior to the closing date of their purchase and sale agreement. The certification must be submitted before IAC-SRFB makes its final reimbursement. The certification must state that the parcel meets current state and federal standards for allowed levels of certain substances. The standards apply equally to substances that:</p> <ul style="list-style-type: none">• Are hazardous, toxic, harmful, or dangerous• Are designated as hazardous, toxic, harmful, or dangerous• Have components that are designated as hazardous, toxic, harmful, or dangerous• Are subject to regulation as hazardous, toxic, harmful, or dangerous• Are regarded as a pollutant by any federal, state, or local law, regulation, statute, or ordinance.	<ul style="list-style-type: none">• Any dangerous or extremely hazardous waste as defined in Chapter 70.105.010(5) and (6) Revised Code of Washington, or any dangerous or extremely hazardous waste designated by rule pursuant to Chapter 70.105 Revised Code of Washington;• Any hazardous substance as defined in Chapter 70.105.010(14) Revised Code of Washington or any hazardous substance as defined by rule pursuant to Chapter 70.105 Revised Code of Washington;• Any substance that, on March 1, 1989, is a hazardous substance under section 101(14) of the federal cleanup law, 42 U.S.C. Sec. 9601(14);• Petroleum or petroleum products; and• Any substance or category of substances, including solid waste decomposition products, determined by the director [or director’s designee] of the Department of Ecology by rule to present a threat to human health or the environment if released into the environment. <p>The term hazardous substance does not include any of the following when contained in an underground storage tank from which there is not a release: Crude oil or any fraction thereof or petroleum, if the tank is in compliance with all applicable federal, state, and local law.</p> <p>Project sponsors must complete a Hazardous Substances Certification for each parcel and provide documentation to support the certification. The certification form is provided in Appendix L. The certification ensures that the project sponsor has</p>

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	<p>inspected, investigated, and conducted an environmental audit (see below) of the parcel for the presence of hazardous substances.</p> <p>The project sponsor must certify:</p> <ol style="list-style-type: none">1. No hazardous substances were found on the site, or2. Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site deemed “clean.”3. The sponsor will defend, protect and hold harmless RCO and any and all of its employees and/or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorneys' fees) and any and all loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the property being acquired. <p>Project sponsors should complete the hazardous substances certification before acquiring the property. The certification must be submitted to RCO before reimbursement of the property costs.</p>
<p>Hazardous Substances Support Documentation, page 20</p> <p>All sponsors must attach an environmental assessment to the Hazardous Waste Certification Form (Appendix F), submitted to IAC-SRFB when the sponsor requests reimbursement. The American Society of Testing Materials recognizes a national</p>	<p>Environmental Audits, page 47</p> <p>An environmental audit is required supporting documentation for each Hazardous Substances Certification. Acceptable environmental audits are:</p>

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<p>standard related to environmental assessments. A Phase 1 environmental assessment is a file review of known and documented historical uses of a site. It includes a title search and review of federal, state and/or local records that would indicate if any hazardous materials had been found, or if there was a reason to suspect hazardous materials had been present at some time.</p> <p>An example would be an underground storage tank identified by the Department of Ecology, or an old dumpsite identified by the local department of health. Sponsors are strongly encouraged to include an on-site inspection for evidence of past activity or current dumping. Sponsors may complete the assessment using agency or organizational staff.</p> <p>If any evidence of hazardous substances appears in the Phase 1 assessment, then a Phase 2 assessment is warranted. Sponsors should consult with a qualified specialist for Phase 2 assessment obligations. Careful review of the section on Buying Contaminated Property is essential if hazardous substances are found. A typical outline for a Phase 1 environmental assessment is provided as a property assessment checklist on page 39.</p>	<ul style="list-style-type: none">• Environmental site assessments per American Society for Testing and Materials (ASTM) standards,• All Appropriate Inquiries per U.S. Environmental Protection Agency standards²⁹, or• Property Assessment Checklist provided in Appendix M. <p>If there are significant findings or recommendations in the environmental audit, RCO may request the audit report be provided to the appraiser for consideration to determine whether the findings would affect the appraised value of the property. If an environmental audit identifies action items that are not related to cleanup of a hazardous substance (e.g., debris cleanup, empty tank removal, structure removal, well decommissioning, materials below Model Toxics Control Act cleanup levels, etc), such costs are eligible demolition expenses⁹. If the findings or recommendations will not be addressed during the active project agreement, the project sponsor must provide RCO with a plan to address the findings or recommendations in the future.</p>
<p>Buying Contaminated Property, page 21</p> <p>Land that contains any of the substances listed in the Certification section, above, may be eligible for IAC-SRFB funding assistance. That is, the Director may write approval for</p>	<p>Buying Contaminated Property³⁰, page 47</p> <p>Purchase of property contaminated with any hazardous substances not meeting standards as determined by the Department of Ecology’s Model Toxics Control Act or</p>

²⁹ Recreation and Conservation Funding Board Resolution 2010-34

³⁰ Recreation and Conservation Funding Board Resolution 2010-34

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<p>the purchase of land with these substances if presented with an environmental assessment. The assessment must discuss clean-up costs and give clear evidence that cleansing can be finished quickly. If the Director requests, the sponsor must provide additional related information to help in making a decision.</p> <p>Once the Director approves purchase of a contaminated site, the sponsor may be reimbursed up to 90 percent of eligible costs before the site meets the standards for acceptable contamination levels. Once these standards have been met, OIAC will reimburse the remaining 10 percent.</p> <p>In estimating fair market value, IAC-SRFB will only consider land appraised as if it were clean. This is the maximum amount IAC-SRFB will reimburse. Furthermore, IAC-SRFB will not consider cost increases for expenses related to clean-up or a seller's desire to recover clean-up costs.</p> <p>This leaves applicants/sponsors with two options. First, the seller may agree to do all required clean-up before the sale, and second, the sponsor may do clean-up after the sale.</p> <p>IAC-SRFB strongly advises applicants/sponsors to buy land that has never been contaminated or is certified as meeting current state and federal standards. Clean-up costs are very hard to predict. Attempts to clean-up a site can result in substantial expenses that are not eligible for IAC-SRFB reimbursement.</p>	<p>the U. S. Environmental Protection Agency’s Comprehensive Environmental Response, Compensation and Liability Act is ineligible for RCO grant funding except under the following circumstances:</p> <ul style="list-style-type: none">• The intended future use of the property as proposed in the grant application can proceed and the Department of Ecology or U. S. Environmental Protection Agency has determined that cleanup is complete or no further cleanup action is needed; or• The intended future use of the property as proposed in the grant application can proceed while cleanup monitoring is ongoing; or• The property contains contaminated pilings which the project sponsor plans to remove in a future action or in combination with a funded RCO grant. <p>If a property is listed as contaminated with the Department of Ecology’s Model Toxics Control Act or the U. S. Environmental Protection Agency’s Comprehensive Environmental Response, Compensation and Liability Act, the project sponsor must provide RCO with a letter from the appropriate state or federal agency that states cleanup is complete or no further action is needed and the proposed grant application can move forward in order for the property to be eligible for grant funding.</p> <p>RCO strongly advises project sponsors to buy land that has never been contaminated or is certified as meeting hazardous substances requirements. Clean-up costs are very hard to predict. Attempts to clean up a site can result in substantial expenses that are not eligible for RCO reimbursement or as sponsor match. If a project sponsor wishes to purchase a contaminated property that does not meet one of the above exceptions,</p>

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	the project sponsor may request a waiver of retroactivity (see Section 2). The property will be eligible for RCO funding after it has been cleaned up as long as the property is cleaned up before the expiration of the waiver of retroactivity.
<p>Eligible Costs, page 21</p> <p>Environmental Assessment Costs</p> <p>Some environment assessment costs related to hazardous substances are eligible for reimbursement. These costs may be reimbursed up to 10 percent of the estimated fair market value of the property, appraised as if it were clean. With adequate justification, the Director may write approval for assessment costs over 10 percent. Eligible hazardous substance environmental assessments costs are:</p> <ul style="list-style-type: none">• Chain of Title Report• Preliminary Investigation/Audit of Site• Environmental Reports and Assessments• Invasive testing, including test pits, test wells, and other drilling procedures• Chemical analysis of water, soil, waste materials, etc.• Leak testing of underground storage tanks• Monitoring and testing of clean-up when done by a seller. <p>Clean-Up Costs</p> <p>Clean-up costs are eligible for reimbursement. The amount eligible is based on the</p>	<p><i>Merged with previous sections.</i></p>

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estimated fair market value appraised as if it were clean.	
<p>Contract or Installment Sales, page 22</p> <p>IAC-SRFB will not financially assist land bought on a contract or installment basis if the contract period exceeds the IAC-SRFB Project Agreement period. Full payment must be made to the seller within the agreement reimbursement period. This ensures that the sponsor:</p> <ul style="list-style-type: none">• Has clear ownership of the property• Can meet the "Deed of Right" requirements, that is, convey use of the property to the state forever, for outdoor recreation, salmon recovery or habitat conservation purposes. <p>IAC-SRFB recognizes that this may be an obstacle when buying from an owner who, for tax reasons, wants to sell on a multi-year installment or contract basis only. Private non-profit land trusts may offer a solution to this problem for state or local agencies submitting ALEA, BFP, LWCF, or WWRP projects by acting as an intermediary to the transaction. For example, the land trust may contract to purchase the property on a seller-financed basis with note payments scheduled according to the seller's tax needs. The land trust then sells the property to the sponsoring agency on a lump sum basis, while retaining liability for the note payments.</p> <p>If the seller requests, the land trust may provide collateral in several ways, other than using the property itself. For example, the trust could arrange for a letter of credit in favor of the seller to secure the note. An alternative is for the trust to purchase a</p>	<p>Contract or Installment Sales, page 22</p> <p>RCO will not financially assist property bought on a contract or installment basis if the contract period exceeds the project agreement period. Full payment must be made to the seller within the project agreement period. This ensures that the sponsor:</p> <ul style="list-style-type: none">• Has clear ownership of the property, and• Can meet the Deed of Right requirements, that is, convey use of the property to the state forever, for outdoor recreation, salmon recovery, or habitat conservation purposes. <p>RCO recognizes that this may be an obstacle when buying from an owner who, for tax reasons, wants to sell on a multi-year installment or contract basis only. Private non-profit land trusts may offer a solution to this problem for state or local agencies by acting as an intermediary to the transaction. For example, the land trust may contract to purchase the property on a seller-financed basis with note payments scheduled according to the seller's tax needs. The land trust then sells the property to the sponsoring agency on a lump sum basis, while retaining liability for the note payments.</p> <p>If the seller so requests, the land trust may provide collateral in several ways other than using the property itself. For example, the trust could arrange for a letter of credit in favor of the seller to secure the note. An alternative is for the trust to purchase a certificate of deposit, which can be assigned to the seller for security purposes.</p>

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<p>certificate of deposit, which can be assigned to the seller for security purposes. Normally, either of these cash collateral methods of security is acceptable to sellers. Both would result in the acquisition of the land free of purchase money encumbrances.</p> <p>These procedures are suggested only to broaden the options of applicants as they seek to acquire important outdoor recreation and habitat conservation land. Presently this option is only available to applicants for the ALEA, BFP, LWCF or WWRP.</p>	<p>Normally, either of these cash collateral methods of security is acceptable to sellers. Both would result in the acquisition of the land free of purchase money encumbrances.</p> <p>These procedures are suggested only to broaden the options of project sponsors as they seek to acquire property with RCO funds.</p>
<p>Boundary Maps, page 22</p> <p>IAC-SRFB requires sponsors to submit a boundary map of each parcel/property acquired. The boundary map and/or attachments must include the following:</p> <ol style="list-style-type: none"> 1. IAC-SRFB project number and name 2. Date of the map preparation 3. Adjoining streets and roads. 4. The lands acquired and protected under the Deed of Right or Assignment of Rights. To make sure the property is clearly shown, the following methods of identification are acceptable: 5. Deed references. 6. Adjoining ownerships, 7. Adjoining water bodies or other natural landmarks. 8. Latitude-longitude of cardinal points 9. Survey information, or 10. Measurements from permanent locators may also be used. <p>The map should also identify the location of all known easements, outstanding rights,</p>	<p>Property Boundary Map Requirements, page 48</p> <p>RCO requires a property boundary map for each parcel acquired to be filed with the Deed of Right or Assignment of Rights. The boundary map must include:</p> <ol style="list-style-type: none"> 1. RCO project number and name 2. Project sponsor name 3. Date of the map preparation 4. Adjoining streets and roads 5. Boundary line of land protected by the Deed of Right or Assignment of Rights, whichever is applicable. 6. North arrow and scale <p>Project sponsors also may submit for the project file more detailed maps to document other features of the property. Other information that helps identify the property</p>

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<p>deed/lease restrictions, reversionary interests, etc.</p> <p>A survey is not required, however if a survey has been completed with IAC-SRFB assistance, a copy must be submitted to OIAC.</p>	<p>includes deed references, location of all known easements, outstanding rights, deed/lease restrictions, reversionary interests, adjoining ownerships, adjoining water bodies or other natural landmarks, geographic coordinates at the site entrance or corners of the property, survey information, and other measurements. A professional survey is not required; however, if a survey has been completed with RCO funding and the property is acquired successfully, the survey must be recorded with the county auditor and a copy provided to RCO.</p>
	<p>Manual Effective Date, page 2</p> <p>This version of “Manual 3: Acquisition Projects” applies to all acquisition projects funded as of December 2010 for Salmon Recovery Funding Board grant awards and as of January 1, 2011 for the Recreation and Conservation Funding Board. Acquisition projects already underway before these effective dates follow policies in “Manual 3: Acquiring Land” dated March 8, 2007.</p> <p>Provisions in this manual may be applied to acquisition projects funded before the effective date of this manual upon mutual agreement between RCO and the grant recipient.</p>
	<p>Legal Access, page 23</p> <p>In most cases, all property acquired in fee title with RCO grant assistance must have direct legal access to the property. Legal access is important for property management,</p>

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	<p>public access, and RCO compliance and inspection purposes.</p> <p>For all RCO acquisition projects, the legal access requirements are as follows³¹:</p> <ol style="list-style-type: none">1. Legal Access. Public access requirements in this manual include legal access to the land. If RCO waives the requirement to provide public access on a fee title acquisition, the property must have direct legal access for the property to be managed by the project sponsor and RCO to conduct its compliance inspections.<ol style="list-style-type: none">a. Legal access to a property means the project sponsor has the legal, insurable right and means to reach the property year-round. For properties surrounded by water (i.e., islands), legal access must be obtained across shore lands, tidelands, or bed lands as appropriate, andb. Legal access must provide sufficient access rights for RCO to monitor compliance for which the grant funding was provided and for the project sponsor to maintain the property.2. Informal Access. If the project sponsor cannot obtain legal access rights to the property as above, informal access may be pre-approved by RCO under the following three conditions:<ol style="list-style-type: none">a. Informal access route:<ol style="list-style-type: none">i. The project sponsor owns the adjacent property and can access the RCO funded property from the project sponsor's

³¹ Recreation and Conservation Funding Board Resolution 2010-34

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	<p>existing property holding; or</p> <p>ii. Access to the property can be accomplished through existing public land; and</p> <p>b. RCO will be able to conduct compliance inspections with minimal burden to get to the property; and</p> <p>c. The appraised value reflects a lack of legal access to the property.</p> <p>3. No Access. Approval to purchase property with no legal access or informal access may be approved in limited circumstances. If the project sponsor cannot obtain legal access or demonstrate informal access by one of the above means, the RCO may approve acquisition of property without any means of access on a case-by-case basis under the following three conditions:</p> <p>a. All reasonable alternatives have been exhausted; and</p> <p>b. The property to be acquired is critical to implementation of the project agreement, and</p> <p>c. The appraised value reflects a lack of legal access to the property.</p>
	<p>Cultural Resources Review, page 27</p> <p>The real property acquired through RCO funding is subject to Governor’s Executive Order 05-05 (www.governor.wa.gov/execorders) or compliance with Section 106 of the National Historic Preservation Act. Both require review, analysis, and consultation with the Washington Department of Archaeology and Historic Preservation and affected</p>

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	<p>Native American tribes for archaeological and cultural resources. RCO requires documented compliance with the executive order or preservation act, whichever is applicable to the project. RCO will issue a notice to proceed when appropriate documentation has been received. Cultural resources review is not required for projects funded in the Washington Wildlife and Recreation Program’s Farmland Preservation Program.</p> <p>“Cultural resources” means archeological and historical sites and artifacts; traditional areas; and items of religious, ceremonial, and social uses for tribes. The goal is to ensure that reasonable action is taken to avoid damage to those resources. The cost associated with cultural resources review is an eligible item for reimbursement in the project agreement.</p> <p>Using materials from the grant application, RCO submits project information to the Department of Archaeology and Historic Preservation and affected Native American tribes to determine if the project has the potential to damage cultural resources and whether consultation will be required. Project sponsors may be asked to complete a cultural resources survey. The consultation must be completed before any ground disturbing activity begins including installing fences or signs, demolishing structures, or planting.</p> <p>If archaeological or historic materials are discovered once ground disturbing activities have started, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification must be provided to the following:</p> <ul style="list-style-type: none">• Concerned Native American tribes’ cultural resources staff and cultural committees

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	<ul style="list-style-type: none">• RCO• Department of Archaeology and Historic Preservation <p>If human remains are discovered during ground disturbing activities, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification must be provided to the following in the most expeditious manner possible³²:</p> <ul style="list-style-type: none">• Concerned Native American tribes’ cultural resources staff and cultural committees• RCO• Department of Archaeology and Historic Preservation• County coroner• Local law enforcement
	<p>Stewardship Plans, page 28</p> <p>All salmon recovery grant acquisition projects funded by the Salmon Recovery Funding Board require a stewardship plan. A plan is necessary to ensure the project objectives are met and the site will be maintained and monitored for at least 10 years from the</p>

³² Chapter 68.50 Revised Code of Washington

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	<p>project agreement completion date. Consult “Manual 18: Salmon Recovery Grants,” for specifics on what the stewardship plan must include.</p> <p>Stewardship plans are also encouraged, but not required, for property acquired with grants from the Washington Wildlife and Recreation Program’s Riparian Protection Account and Farmland Preservation Program. Consult “Manual 10b: Washington Wildlife and Recreation Program Habitat Conservation Account and Riparian Protection Account” or “Manual 10f: Farmland Preservation Program” for specifics on what the stewardship plan must include.</p>
	<p>Project Scoping, page 30</p> <p>When applying for grant money, the project sponsor should identify clearly the intended uses of the property to ensure those uses are eligible or compatible with the RCO funding. If the project sponsor wishes to use portions of the property for ineligible grant activities, such as keeping ineligible structures or a compatible use as described in Section 7 of this manual, the project sponsor must consult with RCO when applying for grant funds or before acquisition.</p> <p>RCO can work with the project sponsor to exclude areas intended for ineligible grant activities from its Deed of Right or Assignment of Right and the project agreement. The area to be excluded must be delineated clearly by a survey or legal description and valued in the appraisal process. The Deed of Right must include a legal description of the area that will remain in the RCO funded portion of the project.</p> <p>The appraised value of the area excluded must be established either through a</p>

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	separate appraisal, appraisal update, or by calculating the property value with the existing appraisal information. Consult RCO about negotiating the area to be excluded and the appropriate method for valuing the property.
	<p>Landowner Acknowledgement of Application, page 30</p> <p>As part of any grant application for acquisition of real property, the project sponsor must demonstrate that the landowner is aware of the project sponsor’s interest in purchasing his/her property. For Salmon Recovery Funding Board projects, this requirement must be accomplished by completing option one below for each parcel proposed to be acquired. For Recreation and Conservation Funding Board projects, this requirement must be accomplished by completing one of the four options below for each parcel proposed to be acquired. In either case, for stream reach or landscape scale acquisition projects with multiple properties, include at a minimum, the landowner acknowledgement for the top three priority parcels.³³</p> <ul style="list-style-type: none">• Option 1 – Submit a Landowner Acknowledgement Form as Appendix H of this manual.• Option 2 – Submit evidence of some other previous communication instead of the form. Evidence (e.g., letter, option agreement, or purchase and sale agreement) must demonstrate that the current landowner was contacted and has been made aware the project sponsor is interested in purchasing the property.

³³ Recreation and Conservation Funding Board Resolution 2010-34

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	<ul style="list-style-type: none">• Option 3 – Submit a copy of a letter to the current landowner that notifies him/her that the project sponsor is interested in acquiring the property and is submitting a grant application to the Recreation and Conservation Funding Board.• Option 4 – Submit an affidavit from the project sponsor’s chief executive to RCO that states the landowner has been contacted but wishes to remain anonymous. An affidavit is a written statement of facts made by the chief executive officer under an oath or affirmation administered by a notary of the public, court clerk, recording officer, or other authorized public officer. <p>Landowner acknowledgement documentation may be stored in RCO’s grant application online database (PRISM) and restricted from public view or within the project file at the RCO. However, such information would be subject to disclosure should a public disclosure request be filed. See the section on “Public Disclosure Rules” in Section 7 for more information.</p>
	<p>Local Jurisdiction Review (Washington Wildlife and Recreation Projects Only), page 31</p> <p>Before applying for a grant to acquire property in the Washington Wildlife and Recreation Program, project sponsors must give the county commission or city council with jurisdiction over the project area an opportunity to review the grant application.³⁴</p>

³⁴ Revised Code of Washington 79A.15.110

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	<p>The county commission or city council may, at its discretion, submit a letter to the Recreation and Conservation Funding Board stating its support or opposition to the project. The Recreation and Conservation Funding Board shall make the letters received available to the Governor and the Legislature when submitting its prioritized project list as part of RCO’s biennial capital budget request.</p> <p>To meet this requirement, the project sponsor must provide each member of the county commission or city council, as appropriate, the following information before the grant application technical completion deadline. A copy of the packet must be sent to RCO as well.</p> <ol style="list-style-type: none">1. A cover letter referencing Revised Code of Washington 79A.15.110 and the option for the county commission or county commission to send a letter to the Recreation and Conservation Funding Board stating its position on the project.2. The project description as it will be submitted with the grant application.3. A location map and parcel map of the proposed project.4. The geographic envelope of the proposed project, if the project sponsor is pursuing a multi-site acquisition strategy. <p>A local government acquiring property within its own political boundaries meets this requirement by submitting the adopted resolution that is required with the RCO grant application. A local government proposing to purchase property outside its jurisdiction (e.g., a city acquiring property outside its city limits or a county acquiring property</p>

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	within a city’s limits) must comply with the local jurisdiction review requirement.
	Third Party Appraisals, page 41 The appraisal and review appraisal must be procured on behalf of the project sponsor. The appraisal and review appraisal may not be procured on behalf of the landowner or other third party with an interest in the sale unless approved by RCO in advance. If the project sponsor is partnering with a third party (e.g., land trust, other agency is assisting with negotiating the transaction, will co-hold rights, or hold third party rights), then the appraisal and appraisal review may be procured on behalf of and authorized by the project sponsor and the third party. The project sponsor must be listed as an intended user of the appraisal. ³⁵
	Title Insurance, page 44 A title insurance policy must be purchased on all real property acquisitions for the appraised value of the property to safeguard the rights acquired with grant funding. Extended or enhanced title insurance may be appropriate for certain acquisitions to mitigate for risks associated with the condition of the title. Extended title insurance may require a boundary survey and other additional costs. Contact RCO if you are required or are considering purchasing extended title insurance and seeking RCO reimbursement for the cost.

³⁵ Recreation and Conservation Funding Board Resolution 2010-34

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	<p>In some cases, a project sponsor may not be able to purchase title insurance because the property is uninsurable. An exception to the title insurance requirement may be the purchase of land from a railroad company or other unusual transactions. Consult with RCO if you are unable to obtain title insurance.</p>
	<p>Preliminary Title Review, page 44</p> <p>The preliminary title commitment for insurance must be reviewed to ensure the property is free of unacceptable encumbrances that may conflict with the purpose of the project. (See the section above.)</p> <p>Preliminary title review occurs after grant funding is awarded but before RCO issues a project agreement.</p> <p>RCO also may request a preliminary title report as part of a grant application if the conditions of the property are unclear or may potentially be ineligible for grant funding. RCO recommends project sponsors request an updated preliminary title report one month before closing on the property to ensure no new encumbrances have been placed on the property since the last title review.</p> <p>RCO requires preliminary title review of all proposed acquisitions to ensure the above policies are met before closing on the property. Sponsors may choose one of the following three options for conducting preliminary title review.</p> <ol style="list-style-type: none">1. Submit the preliminary title report for the target properties to be acquired for review before RCO issues a project agreement.

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	<p>RCO will review the preliminary title report and identify any encumbrances that may be of concern or need to be cleared before closing, <u>or</u></p> <ol style="list-style-type: none">2. Submit the Preliminary Title Report Checklist in Appendix K along with the preliminary title report. On the checklist, the project sponsor certifies that he/she has reviewed the title and identified which encumbrances will be cleared before closing. RCO will review the checklist and contact the project sponsor with any outstanding concerns.3. Request approval from RCO to conduct preliminary title review independently (without RCO review) for all RCO funded projects. A sponsor may request independent review approval as an organization if it conducts multiple acquisitions with RCO funding. Your request must demonstrate your “best practices” for clearing title and ensuring that properties will meet RCO requirements in this manual. If approval is granted, a project sponsor proceeds with acquiring land at its own risk. RCO will withhold payment at reimbursement time if a property title does not meet RCO requirements. <p>On the rare occasion that a project sponsor cannot provide the preliminary title report in time, the sponsor may request a special condition be added to the project agreement that will require submittal of the preliminary title report before paying out any grant money.</p>
APPENDICES	<p>Complementary Covenants or Deed Restrictions from Other Funders, page 45</p> <p>If an acquisition project includes funding from other sources that also require some form of encumbrance on the property such as a Notice of Grant, deed restriction, or other encumbrance, the project sponsor must provide a draft of the encumbrance to</p>

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	RCO for review. RCO will review the encumbrance for consistency with RCO’s Deed of Right or Assignment of Rights and the project agreement before closing on the property. As long as the encumbrance from the other funding source is consistent and compatible with RCO’s funding, no conversion will occur per the policies in “Manual 7: Funded Projects.” RCO will amend the project agreement with a special condition to allow for the encumbrance from the other funding source and document that any future conversion will be valued without the other funding source’s encumbrance on the title.
	Conservation Easement Monitoring, page 52 The model habitat and agricultural conservation easement templates in Appendices C and D require that each easement include a provision to provide access to RCO’s project sponsor to inspect the easement area and monitor compliance with the easement terms. Project sponsors must develop and implement an easement monitoring plan for RCO funded conservation easements. RCO recommends a project sponsor conduct easement monitoring at least annually. A conservation easement monitoring report based upon the project sponsor’s adopted plan must be submitted to RCO once every five years ³⁶ .
	Scope Changes, page 52

³⁶ Recreation and Conservation Funding Board Resolution 2010-34

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	See “Manual 7: Funded Projects” for criteria related to changing the scope of an acquisition project after the project agreement is signed. The landowner acknowledgement and local jurisdiction review requirements in Section 6 of this manual apply to all project scope changes.
	<p>Acquisition for Future Use, page 54</p> <p>When a project sponsor acquires real property for restoration or recreation development in the future, the property must be restored or developed as described in the project agreement within five years of acquiring the property (or three years for projects funded in the Land and Water Conservation Fund)³⁷. This ensures that the primary purpose for the acquisition is realized within a reasonable time and the public receives the intended benefit from its investment.</p> <p>At the time of the grant application, the project sponsor may propose a timeline longer than five years for large scale, multi-phased projects. If the application is awarded a grant, RCO may incorporate the longer timeline in the project agreement. (This provision is not applicable to grants in the Land and Water Conservation Fund program.)</p> <p>If the planned future use of the property will be delayed for more than five years (or more than three years for Land and Water Conservation Fund projects), the project sponsor must request in writing an extension before the time period expires. RCO may approve an extension based on the project sponsor’s plans and construction schedule.</p>

³⁷ Recreation and Conservation Funding Board Resolution 2010-34

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	<p>Projects receiving an extension will remain in compliance with the project agreement.</p> <p>Projects that are not constructed as proposed in the acquisition project or not granted an extension will be reviewed per RCO’s compliance policy in “Manual 7: Funded Projects.” If circumstances change that the scope will not be completed as originally proposed, then a project sponsor may request an “element change” to the project agreement.</p> <p>Where appropriate, RCO may approve a request to restrict the public’s use of a property for safety concerns until the property is developed or restored as planned.</p>
	<p>Removing or Changing a Deed of Right, page 55</p> <p>If a project sponsor needs to revise or remove a recorded Deed of Right, it may trigger a conversion of use. You should contact RCO to discuss the situation and how to meet the project agreement requirements. RCO will provide the necessary legal documentation needed to remove the Deed of Right from the property.</p>
	<p>Public Disclosure Rules, page 55</p> <p>RCO records and files, including those related to acquisitions, are public records that are subject to the Public Records Act³⁸. The appraisal and appraisal review are exempt</p>

³⁸ Chapter 42.56 Revised Code of Washington

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	from public disclosure for three years or until the sale is completed or abandoned. More information about the RCO’s disclosure practices is available on the Web site at www.rco.wa.gov/about/public_records.shtml .